

**STANDARDS
OF
BUSINESS CONDUCT**



Great Food and Great Service by Great People...

Every Time!

**DENNY'S CORPORATION
203 EAST MAIN STREET
SPARTANBURG, SC 29319**

If you have any Questions Concerning:

- **Whether you are covered by this policy;**
- **Whether an activity or investment you have completed or are thinking about is in compliance with this policy;**
- **How to report a possible violation of this policy; or**
- **Any other matter or question directly or indirectly involving these standards of business conduct;**

**contact:
(864) 597-8671**

Denny's Corporation

Standards of Business Conduct

Revised and Restated May 2003

Table Of Contents

<i>I. Introduction</i>	1
A. Message From Nelson Marchioli	1
1. Preface	2
B. Purpose of Compliance Program	2
C. Contents of the SBC Guidelines	3
D. Compliance - Each Employee's Responsibility	3
E. Compliance with the Law	6
F. The Essential Elements of a Compliance Program	6
G. Compliance Committee	7
 <i>II. Compliance Standards</i>	 8
A. Denny's Standards of Business Conduct	8
1. Introduction to Standards of Business Conduct	8
2. Conflict of Interest	9
3. Receiving and Giving of Gifts and Gratuities	11
4. Providing Entertainment	12
5. Bribes, Kickbacks and Other Illegal Acts	12
6. Books and Records	13
7. Improper Use of Corporate Assets	13
8. Political Contributions	13
9. Inside Information	14
a. Confidential Information	14
b. Guidelines to Insider Trading	14
10. Disclosure of Information	17
11. Proprietary Information	24
12. Valuing Individual Diversity	26
13. Harassment	26
14. Safety, Health and Environment	26
15. Wage and Hour	27
16. Travel and Entertainment	27

Table of Contents (continued)

17. Information Security Policy and Intellectual Property	27
18. Anti-Retaliation Policy	28
19. Record Retention	29
20. Government Contracting	29
21. International Laws	29
a. Foreign Corrupt Practices Act (FCPA)	29
b. Antiboycott	30
22. Food Safety and Health Claims	30
23. Advertising	30
24. Environmental	30
25. Antitrust	31
 <i>III. Conclusion</i>	 31
A. Compliance	31
B. Responsibility for Administration	32
C. Responsibility for Reporting Violations	32
 <i>IV. Acknowledgment of Receipt Form</i>	 33

I. INTRODUCTION

A. Message From Nelson Marchioli

Denny's is committed to conducting business in accordance with the highest ethical, moral and legal standards. Since it is important that you clearly understand your responsibilities in conducting yourself with regard to these high standards, Denny's (or the "Company") is providing a set of guidelines to you entitled "Standards of Business Conduct" ("SBC").

The SBC program is important and you must read, understand and comply with the guidelines contained in this program. These guidelines are offered not because there are any doubts about the way you conduct business ethically. Rather, these guidelines give you an overview of Denny's standards and are intended to inform and provide a quick reference to you, if you are ever faced with an ethical dilemma. I Always expect you to do the Right Thing!

By consistently applying and upholding high ethical standards with the Company and between employees, suppliers, customers and vendors, each of you can benefit by contributing to your own individual and to the Company's success, integrity and reputation.

Attached at the back of the SBC, you will find the "Acknowledgment of Receipt Form" that needs to be signed and dated after you have read these guidelines. You will need to forward your signed acknowledgment form, no later than 30 days from the date you receive your copy of the SBC, to your Management Committee Member, who will in turn forward the form to the Spartanburg Support Center Legal Department at mail station P-12-02.

You should set aside a sufficient amount of uninterrupted time to read and understand the Standards of Business Conduct completely and if you have any questions or concerns, please contact the General Counsel's office at (864) 597-8671.

Thank you!

/s/ Nelson J. Marchioli
Chief Executive Officer and President

1. Preface

Denny's (or the "Company") refers to Denny's Corporation and its subsidiaries, affiliates, and joint venture arrangements in which Denny's has a majority interest or for which the Company has operating responsibilities.

These guidelines are a description of Denny's policies and procedures and are not a contract of employment. Nothing in these guidelines affects the at-will status of Denny's employees.

B. Purpose of Compliance Program

Over the past several years, liability for violations of the law by corporations and their employees has risen tremendously. Denny's has responded to these changes in the law by adopting several policies and procedures intended to assist the Company and its employees in complying with the law.

The Standards of Business Conduct guidelines have several purposes. In summary, these are:

- To collect all of Denny's compliance efforts and programs under one umbrella. The SBC guidelines describe these programs and will guide employees so that their business conduct is consistent with Denny's ethical standards.
- To ensure Denny's compliance with Note 3(k) to Section 8 A1.2 of the Federal Sentencing Guidelines, which sets out the essential elements of a model compliance program.
- To create corporate programs and policies that will both deter violators, encourage and provide a means for employees to report suspected violations without fear of retaliation or retribution and enable a quick and effective means for resolving issues as they arise.

C. Contents of the SBC Guidelines

These guidelines contain an overview of Denny's Standards of Business Conduct program and are intended to inform and provide a quick reference to employees regarding the program's contents. We have incorporated the Standards of Business Conduct previously adopted by Denny's and its corporate predecessors, as well as summary descriptions of other compliance areas. Many of the policies and procedures contained herein predate the publication of this document and have already been implemented by Denny's.

These guidelines are divided into four parts.

1. An introduction explaining the purpose and content of the SBC program and how these standards will be implemented, including an explanation of the responsibility of each Denny's employee to follow the requirements of the corporate compliance program.
2. The "Compliance Standards" section which describes basic ethical standards applicable to all Denny's employees.
3. A conclusion which sets out administrative and reporting procedures.
4. The "Acknowledgment of Receipt Form" which is to be completed and returned as directed.

D. Compliance – Each Employee's Responsibility

As a condition of employment with Denny's, each employee is expected to comply with the Company's Standards of Business Conduct guidelines and the underlying policies and procedures. The SBC is intended to provide guidance to employees on their basic ethical and legal responsibilities as an employee of Denny's. When in doubt, an employee has the responsibility to seek clarification from his/her supervisor, his/her human resource

representative, a member of Denny's management with responsibility for compliance with these standards or the General Counsel. Violations of Denny's ethical standards are grounds for disciplinary action up to and including discharge and, in some cases, possible legal prosecution.

All employees benefit from an atmosphere of good ethical conduct. Employees who are aware of suspected misconduct, illegal activities, fraud, abuse of Company assets or violations of these standards are responsible for reporting such matters to one of the following: the General Counsel's office at (864/597-8671); the employee's immediate supervisor (who will then report to the office of the General Counsel); or the employee's human resource representative. In any event, the office of the General Counsel will log and track all reported alleged violations. No employee will be required to divulge his or her name when reporting alleged misconduct; however, if he/she does, and the report is made in good faith, there will be absolutely no retribution against that employee for making such a report, and every effort will be made to protect the identity of the reporting employee.

Additionally, with respect to any suspected misconduct, irregularity, abuse or illegal activity in connection with the Company's accounting practices, financial reporting, internal accounting controls or any auditing matter, any employee may anonymously and confidentially report, in good faith, such matters directly to the Audit and Finance Committee of the Board of Directors of the company by preparing a written statement describing such suspected activity and mailing it, by first class mail, to the following address:

Denny's Corporation
Audit and Finance Committee
1209 Orange Street
Room 123
Wilmington, DE 19801

Denny's is committed to increasing its value to customers, employees and shareholders by profitably providing beneficial products and services to its markets. Denny's will fulfill this commitment while upholding the highest level of ethical conduct and meeting its responsibilities as a good corporate citizen. Although laws and customs may vary in the many areas where Denny's operates, basic ethical responsibilities are universal. Denny's ethical standards are set forth in these guidelines. More detailed guidance for certain policies can be found in individual guidelines written for those purposes. Under Denny's SBC, each Company employee is accountable for:

- Becoming familiar with and conducting Company business in compliance with applicable laws.
- Adhering to Denny's standards for protecting the health and safety of its employees, its customers, and its contractors.
- Treating all customers and suppliers in an honest and fair manner.
- Avoiding situations where personal interests are, or appear to be, in conflict with Company interests.
- Safeguarding and properly using Company proprietary information, assets and resources, as well as those of other organizations entrusted to Denny's.
- Maintaining confidentiality of nonpublic information and not acting on such information for personal gain or the actual or potential injury of the Company.

Basic guidance on each of these responsibilities is provided on the following pages

E. Compliance with the Law

Compliance with applicable laws is a critical element of our ethical standards. Because of our geographically diverse operations, Denny's is subject to legal requirements that are both numerous and complex. All employees should understand those laws which apply to them in the performance of their jobs and should ensure that Company operations with which they are involved are conducted in conformity with those laws. Violations of these laws can seriously damage the Company's reputation, subject it to liability, and even subject individual employees to personal liabilities. Management must fully support each employee in this responsibility and provide resources necessary for compliance.

F. The Essential Elements of a Compliance Program

These guidelines are only one part of the Denny's Standards of Business Conduct program. As fully explained above, it represents a collection and summary of previously published guiding documents and principles regarding business conduct by Denny's employees. In addition to the written document, Denny's Standards of Business Conduct program consists of the following elements:

- Assignment of overall compliance responsibilities to Denny's corporate compliance committee.
- Communication of applicable standards to all Denny's employees through written materials and training.
- Implementation of hiring and employment practices intended to “weed out” individuals likely to engage in misconduct.
- Implementation of monitoring and auditing programs intended to detect non-compliance and to allow employees to report suspected problems without fear of retaliation or retribution.
- Enforcement of these standards through consistent discipline of violators and through appropriate remedial measures where necessary.

Denny's views the Standards of Business Conduct program as a top Company priority. It is intended to reduce, if not eliminate, corporate liability in these covered areas, as well as to ensure maintenance of Denny's level of business ethics. In order for the program to be fully effective, these guidelines must be used as an essential part of the Company's overall compliance effort.

G. Compliance Committee

To provide emphasis to Denny's efforts to comply with the law, a corporate compliance committee, as further described in the SBC on page 31 (the "Compliance Committee"), has been established to oversee Denny's compliance efforts and to ensure that the Company has necessary policies and systems in place to train employees in their legal responsibilities, monitor compliance, and correct deficiencies in compliance programs. Any questions concerning this committee should be directed to the office of the General Counsel.

H. Exceptions/Waivers of the SBC

Any waiver of or exception to the SBC in favor of an officer or member of the Company's board of directors shall only be granted by the board or committee thereof and such waiver or exception must promptly be disclosed publicly in accordance with applicable laws, rules and regulations.

II. COMPLIANCE STANDARDS

Denny's has adopted certain Standards of Business Conduct, covering a wide range of legal and ethical issues which may arise during the performance of an employee's duties. These standards are further detailed below. The Compliance Committee has responsibility for monitoring compliance with these standards, and for establishing and communicating various reporting avenues to enable employees to report suspected violations of these basic standards of business conduct.

A. Denny's Standards of Business Conduct

1. Introduction to Standards of Business Conduct

Each employee has the right to expect Denny's to conduct its business in accordance with the highest ethical, moral, and legal standards. When faced with an ethical dilemma, Denny's employees do what is right, regardless of the consequences. All Company personnel must understand that the Company does care how results are obtained, not just that they are obtained. These standards of performance are set by all employees.

This statement of policy establishes guidelines for ethical decision making in business and applies to all employees of Denny's. These guidelines are offered not because of doubts concerning the desire of each Denny's employee to conduct business ethically. Rather, this policy is designed to help employees recognize and deal with business ethical issues in the conduct of the Company's business and to provide a means for employees to report possible violations through human resources or the office of the General Counsel, without fear of retribution, if the employee does not feel comfortable doing so through his or her regular chain of command.

No code of ethics can cover all circumstances or anticipate every situation. Consequently, employees encountering situations not specifically addressed by this code should apply the overall philosophy and concepts of this code to the situation, along with the

highest ethical standards. If a question still exists in the employee's mind after so doing, the particular circumstances should be reviewed with a supervisor or a member of the Compliance Committee.

2. Conflict of Interest

Employees should avoid any situation that may involve or appear to involve a conflict between their personal interests and the interests of the Company. In dealings with current or potential customers, suppliers, contractors and competitors, employees should act in the best interests of the Company to the exclusion of personal advantage.

While it is virtually impossible to anticipate and therefore set forth an all-inclusive list of conflict of interest situations, outlined below are some examples of situations which may involve, or appear to involve, a conflict of interest:

a. Ownership by an employee, or an employee's immediate family member, of an active or passive investment or interest in any competitor of the Company unless the employee has obtained written authorization to own such interest from the member of the Management Committee responsible for the department in which the employee is employed and a copy of such authorization should be forwarded to the General Counsel by the applicable Management Committee Member. However, holdings in a competitor that are part of a publicly available mutual fund (e.g., Fidelity, Vanguard, etc.) need not be reported.

b. Ownership by an employee, or an employee's immediate family member, of an active or passive investment interest in any supplier or customer of the Company if the holding is either:

(i) Five percent or more of the stock, assets or other interests of the supplier or customer; or

(ii) Ten percent or more of the employee's or an immediate family member's net assets.

An "immediate family member" means a close relative, and for purposes of interpreting these standards immediate family member will include (i) a dependent parent/step-parent, (ii) spouse, (iii) dependent child/step-child and (iv) anyone living in the same household as the employee whether or not a relative.

A "passive investment interest" is defined as an ownership of a financial interest, solely for investment purposes, in a organization or entity for which the employee performs no managerial functions, provides no advice and has no ability to influence the policies, products or business of the outside organization.

c. Serving as a director, officer, partner, employee, consultant, representative, agent, broker, finder, advisor or in any key role of any outside enterprise which does or seeks to do business with, or is a competitor of the Company.

d. Engaging in any other activity that could create the appearance of a conflict of interest and thereby impair the Company's reputation for impartiality and fair dealing. Examples of such activities include, but are not necessarily limited to, the following:

(i) Having a financial involvement with an agent, employee or representative of a supplier, vendor, customer, or competitor of the Company with whom the employee regularly comes in contact while performing Company business.

(ii) Accepting personal discounts (on products, services or other items) from an agent, employee or representative of a supplier, customer or competitor of the Company.

(iii) Dealing directly, in the course of normal Company responsibilities, with a family member who is employed by a supplier, customer or competitor of the Company.

(iv) Engaging in a business transaction on behalf of the Company with a member of your own family or with a firm in which a family member is a principal, officer or representative.

(v) Working for any entity in competition with the Company; working for any customer of the Company or for any entity that is doing or seeking to do business with the Company; or engaging in outside profit-making activities in any area of business in which the Company operates.

(vi) Having a spouse who is employed by a competitor of Denny's.

The foregoing list is not intended to be exhaustive of those situations which constitute a conflict of interest, nor is it intended to substitute for good judgment. If any employee finds himself or herself in a situation which may possibly give rise to a conflict of interest, disclosure should be made as noted above in order to protect the interests of both the Company and the employee.

3. Receiving and Giving of Gifts and Gratuities

Employees may not give or accept any cash gifts. In addition, employees may not give or accept gifts or business courtesies of value which might indicate an intent to influence improperly the normal business relationship between Denny's and any supplier, customer or competitor. If an employee receives any gift or business courtesy of more than nominal value (\$25.00) they must do one of the following: return the gift; pay the excess of the gift's value over \$25.00 to the giver; contribute such excess to a charity supported by the giver; or turn the gift over to a member of the Compliance Committee for disposition (for example, a donation to a charitable or educational organization or to employee groups). No gifts, services, business courtesies, entertainment or anything of value may be offered or made available in any amount, directly or indirectly, to any government official or government employee.

A "business courtesy" is defined as a gift or favor from persons or firms with whom Denny's maintains or may establish a business relationship and for which fair market value is not paid by the recipient. A business courtesy may be a tangible or intangible benefit, including, but not limited to items, such as nonmonetary gifts, meals, drinks, entertainment, hospitality, recreation, door prizes, transportation discounts, tickets, passes, promotional items, or use of a donor's time, materials or equipment.

4. Providing Entertainment

Business related entertainment in a non-business environment (restaurant, private home, etc.) can be a useful, desirable, and perfectly ethical practice if it is not excessive. Entertainment may be provided at Company expense, therefore, if it is authorized in advance, job-related, not overly lavish and will not place the recipient in a potentially awkward situation with his employer or the public. Excessive entertainment of any sort is unacceptable.

5. Bribes, Kickbacks and Other Illegal Acts

All Company employees, contract laborers, consultants and others acting for the Company are prohibited from:

1. Providing, attempting to provide or offering to provide any kickback, bribe or other illegal payment.
2. Soliciting, accepting, or attempting to accept any kickback, bribe or other illegal payment.

Nothing of value shall be offered or given in violation of the Foreign Corrupt Practices Act or any other applicable U.S. or foreign law or regulation.

If you are confronted with the demand for a bribe, kickback or other illegal payment from anyone, such demand must be immediately brought to the attention of one of the individuals designated herein to receive reports (see Compliance).

6. Books and Records

No undisclosed or unrecorded fund or asset of the Company shall be maintained for any purpose. No false or misleading entries are to be made in the books and records of Denny's for any reason. No transaction shall be effected and no payments are to be made by, or on behalf of, Denny's for any purpose other than that described in the supporting documents and records maintained by Denny's. All Company financial reports, accounting records, research reports, sales reports, expense accounts, time sheets, and other documents must accurately and clearly represent the relevant facts or the true nature of the transaction. Improper or fraudulent accounting, documentation or financial reporting are contrary to Company policy and may also be in violation of applicable laws. The Company has established accounting control standards and procedures to ensure that assets are protected and properly used and that financial records and reports are accurate and reliable, and those standards and procedures must be followed in all cases.

7. Improper Use of Corporate Assets

Company assets are to be used solely for the benefit of the Company. Company assets are much more than our equipment, inventory, corporate funds or office supplies. They include concepts, business strategies and plans, financial data, intellectual property rights and other information about our business. These assets may not be improperly used to provide personal gain for employees or others. Employees must seek prior approval before releasing any Company information (See Items 9 and 10 below.)

On occasion, some assets of the Company no longer needed in the business may be sold to employees. Such sales must be supported by properly approved documentation signed by an appropriate authority other than the employee.

8. Political Contributions

No unauthorized political contributions or expenditures may be made to political candidates, political committees or to political parties or for any political purpose, directly or indirectly, by or on

behalf of Denny's. Nor may any officer or employee of Denny's, without proper authorization, use, offer, consent or agree to the use of any Denny's property (e.g., vehicles, office supplies, etc.) in aid of or in opposition to any political candidate, political committee, political party or for any political purpose. No direct or indirect pressure in any form is to be directed toward employees to make any political contribution or to participate in the support of a political party or the political candidacy of any person. This policy does not preclude, where lawful: (a) the operation of a Political Action Committee; or (b) Company contributions to support or oppose public referenda or similar ballot issues.

9. Inside Information

a. Confidential Information - Confidential Company information (including business strategies, pending contracts, unannounced products, research results, financial projections, internal employee memoranda, sales or acquisitions) may not be given or released, without proper authorization, to anyone not employed by the Company, or to an employee who has no need for such information.

b. Guidelines to Insider Trading** - The Company has established a separate policy entitled "Guidelines to Employees of Denny's and its Affiliated Companies Trading in the Common Stock or Other Securities of Denny's." These guidelines set forth the standards of conduct for Company employees with regard to the use or communication of inside information relating to securities transactions.

These guidelines are reprinted below as follows:

Certain common stock and debt securities of Denny's are publicly traded. Denny's recognizes that its employees have great confidence in and are enthusiastic about Denny's future. These Guidelines are not intended to dampen this confidence and enthusiasm. Rather, these Guidelines are stated to give employees

comfort that if and as they trade in Denny's stock and securities, they will be acting within the bounds of the law and with propriety consistent with the Company's image.

The Basic Legal Prohibition

The Courts and the decisions of the Securities and Exchange Commission ("SEC") interpreting the antifraud provisions of the securities laws, in particular, Section 10(b) of the Securities Exchange Act of 1934 and SEC Rule 10b-5 thereunder, make it unlawful for any person to trade securities on the basis of material, nonpublic information or to disclose selectively or "tip" such information to others who may trade.

"Nonpublic" Defined

"Nonpublic" information is any information that has not been disclosed to the general public or the marketplace or to governmental regulatory agencies. Information received about a company under circumstances that indicate that it has not been so disclosed should be considered nonpublic.

"Material" Information Defined

"Material" information is any information about a company or the market for the company's stock and other securities that is likely to affect the price of such stock and securities or is likely to be considered important by reasonable investors, including reasonable speculative investors, in determining whether to trade. Common examples of information that will frequently be regarded as material are: projections of future earnings or losses; news of a significant pending or proposed merger, acquisition, tender offer or exchange offer; news of a significant sale of assets or the disposition of a subsidiary; changes in dividend policies or the declaration of a stock split or the offering of additional securities; changes in management; significant new products or discoveries; impending bankruptcy or financial liquidity problems; significant changes in operations; and the gain or loss of a substantial customer or supplier.

Prohibition Against Trading and Tipping

Whenever an employee of the Company receives information about the Company, the employee should refrain from trading on the basis of that information unless he first determines that the information is either public, nonmaterial, or both. This policy also applies to the securities of any other company, including customers or suppliers, with respect to information relating to that company obtained in the course of employment with Denny's. In addition, the employee should refrain from disclosing the information to others, such as family, relatives, business or social acquaintances, who do not need to know for legitimate business reasons. If the employee has any question at all whether the information is material and nonpublic, the employee should resolve the question before trading, recommending trading or divulging the information. If there is any doubt, the employee should consult the Legal Department.

A safe approach to trading would be:

- a. An employee should not undertake any trade transaction until at least **24** hours after any public announcement by the Company, including the filing of reports with the Securities and Exchange Commission and other regulatory authorities.
- b. An employee should confine his trading activity to the 45-day periods beginning 48 hours following the release of annual or quarterly financial results.

Disclosing Material, Nonpublic Information for Legitimate Business Purposes

It may be necessary for legitimate business purposes to disclose material, nonpublic information to persons outside the Company such as commercial bankers, investment bankers or other persons seeking to engage in a joint venture, a merger, or other business relationship with the Company. In such circumstances, the information should not be conveyed until an express understanding has been reached that such information is not to be used for trading purposes and may not be further disclosed other than for the specific purpose involved.

Problems and Questions to be Addressed to the Legal Department

In today's environment, insider trading concerns are receiving a great deal of attention, both from governmental authorities and the media. A charge of insider trading against an employee, a member of an employee's family or anyone who has a business or social relationship with an employee is difficult to refute. Violations of insider trading prohibitions may result in civil and criminal penalties, including fines and jail sentences. If there are unresolved questions in any employee's mind as to the applicability or interpretation of the foregoing Guidelines or the propriety of any desired action, the matter should be discussed with a member of the Legal Department prior to the trading of the stock or the disclosure of the information.

******Certain officers and directors of the Company are subject to somewhat stricter guidelines than those described above by virtue of the positions they hold. The Legal Department communicates with those employees on an individual basis; however, these Guidelines apply to ALL employees of Denny's.

10. Disclosure of Information

The Company has established a separate policy entitled "Guidelines for Disclosure of Information to Investors, Securities Market Professionals and the Media." This policy is reprinted below as follows:

These Guidelines set forth the standards of conduct for Company employees and members of the Company's Board of Directors with regard to the disclosure of information to: (1) securities market professionals such as analysts, broker-dealers, institutional investment managers, investment companies and hedge funds, (2) investors, (3) media personnel and (4) other individuals or entities outside the Company. These Guidelines have specifically been revised to comply with Regulation FD promulgated by the SEC.

Policy Statement

As a "public company," Denny's Corporation ("Denny's" or the "Company") is committed to timely, consistent, fair and credible dissemination of information to the public, in keeping with legal and regulatory requirements, to enable orderly behavior in the capital markets. Denny's regularly prepares comprehensive reports for filing with the SEC and dissemination to the public. Our management is often asked, nevertheless, to provide additional business and financial information. It is the policy of the Company never to release material nonpublic information to any third party except under special circumstances such as communications made pursuant to signed confidentiality agreements or communications made to a person who owes the Company a duty of trust or confidence such as an attorney, investment banker, accountant or representative of a bank or other loan participant requesting information pursuant to the Company's credit agreement. Should the Company, however, release material nonpublic information to an investor or securities market professional other than under the special circumstances referred to above, then it is the Company's policy, pursuant to Regulation FD, to immediately make public disclosure of such information.

Authorized Spokespersons

For various reasons, including ensuring the accuracy and proper disclosure of information, it is the Company's policy to limit the individuals responding to requests for information to authorized spokespersons. Employees who are not authorized spokespersons shall continue to refer all calls from shareholders/bondholders, securities market professionals, banks and media to persons authorized to speak on behalf of the Company. Any request for such business or financial information should be directed to the following authorized spokespersons: (1) all such requests from shareholders/bondholders or other members of the investment community should be directed to the Manager of Corporate Finance (x8532) or the Vice President and Treasurer (x8994); (2) all such requests from members of the media should be forwarded to the Director of Public Relations and Communications (x8361);

(3) all such requests from commercial banks and other creditors should be directed to the Vice President and Treasurer (x8994).

Disclosure Principles

The principles set forth below are designed to permit the fullest possible disclosure of corporate news to securities market professionals, reporters, and other responsible people, while avoiding prohibited selective disclosure and potential trading abuses. *All Company employees and members of the Company's management and Board of Directors* are expected to follow these principles, as well as the Company's insider trading guidelines entitled *"Guidelines to Employees of Denny's and its Affiliated Companies Trading in the Common Stock or Other Securities of Denny's"* and, where applicable, the disclosure procedures set forth below. Any questions about compliance with these principles and procedures should be addressed to the office of the Company's General Counsel at (864) 597-8242 or (864) 597-8672:

- Sensitive information should be disseminated within the Company only to those individuals who need to know it.
- Voluntary public disclosure of financial projections prepared for internal use would be very troublesome for the Company, given the inherent unreliability of such information and the possible need to update it. Statements about other future events, uncertain to occur, would raise similar problems. Accordingly, briefing of a securities market professional, reporter or other "outsider" should be limited to historical financial data and completed business transactions. "Forecasts," financial or otherwise, in these types of circumstances should not be made; nor may they be confirmed or denied.
- Unless the Company is the source of a "market rumor," there is generally no duty to respond to the rumor. When asked to respond to a "market rumor," members of management should respond with a firm "it is the Company's policy not to

respond to market rumors”; and they should do so consistently, without regard to whether the particular rumor may be good or bad, true or false. Such inquiries should be reported immediately to the General Counsel or Chief Financial Officer of Denny's.

- Special rules apply to disclosures proposed to be made once the Company has either taken substantial steps to commence a "tender offer" or has become the subject of a tender offer commenced by someone else. Since the particular employee who receives an inquiry for financial or business information may not be in a position to know whether or not a tender offer is underway, no one in the Company may respond to any inquiry for sensitive information without the prior approval of the General Counsel or Chief Financial Officer of Denny's.
- While it is indeed Denny's policy to provide helpful information to the extent possible, it is not our policy to edit or revise written work produced by others. The Company cannot assume responsibility for the contents of reports of securities analysts or other third parties concerning the Company. Accordingly, none of our employees, management or members of the Company's Board of Directors should review "drafts" of reports produced by others concerning the Company, provided, however, that any of the persons designated as authorized spokespersons in the third paragraph of these [guidelines] may review a draft report for misstatements of history or fact.

Disclosure Procedures

From time to time, inquiries are made by investors or individuals who represent investment banks, commercial banks, and other financial institutions with an interest in ferreting out facts relevant to the value of the Company's securities. Subject to the Disclosure Principles stated above, it is appropriate to respond to such inquiries with reliable information, but only in accordance with the following additional procedures:

- Determine whether or not you are the right person (the "Contact Person") to talk to the individual who is making the inquiry. If someone else in the Company would be in a better position to respond, refer the inquirer to that person.
- The Contact Person, where practicable, should make and keep legible notes of his or her conversations with the individual seeking Company information, especially as it relates to any information that may be conveyed.
- The Contact Person should satisfy himself or herself that he or she would not be providing the inquirer with any information that he or she could not or would not provide under these guidelines to any other qualified inquirer.
- Never release *material nonpublic information* to any third party unless such release is approved by the Company's Chief Financial Officer and General Counsel, and either (i) the communication is made pursuant to a signed confidentiality agreement or (ii) the communication is made to a person who owes the Company a duty of trust or confidence such as the Company's attorney, investment banker, accountant, or representative of a bank or other loan participant requesting information pursuant to the Company's credit agreement.

For purposes of these guidelines, information is *material* if there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision. Common examples of information that will frequently be regarded as *material* are information concerning: (1) earnings, (2) mergers, acquisitions, tender offers, joint ventures, or significant changes in assets, (3) new products or discoveries, or developments regarding customers or suppliers (e.g., the acquisition or loss of a contract), (4) changes in control or in management, (5) changes in auditors or auditor notification that the Company may no longer rely on the auditor's audit report, (6) events regarding the

Company's securities (e.g., defaults on senior securities, calls of securities for redemption, repurchase plans, stock splits, changes in rights of security holders, or public or private sales of additional securities) and (7) bankruptcies or receiverships. Information is *nonpublic* if it has not been disseminated in a manner making it available to investors generally.

- Should a Contact Person or senior official of the Company (i.e., a Denny's executive officer or a member of Denny's board of directors) disclose material nonpublic information during any communication with an investor or securities market professional, then the Company's General Counsel and Chief Financial Officer should be immediately notified and immediate public disclosure should be made.

The above procedures should be repeated at the time of each inquiry, even if the particular caller has made prior inquiries.

Handling Formal Meetings with the Investment Community

From time to time, meetings may be scheduled among the Company's senior financial executives, outside financial analysts, security holders and/or other securities market professionals and responsible interested persons in order to provide a forum for distribution to the investing public of theretofore nonpublic information relating to recent corporate developments or the Company's performance since the last quarterly earnings release. If such nonpublic information is deemed to be material in nature, then the Company will disclose, at least concurrently, such information to the public in a press release.

Additionally, when the Company makes planned disclosures of material information, such as a scheduled earnings release, the following model should be used:

- First, issue a press release, distributed through regular channels, containing the information;

- Second, provide adequate notice, by a press release and/or website posting, of a scheduled conference call to discuss the announced results, giving investors both the time and date of the conference call, and instructions on how to access the call;
- Third, hold the conference call in an open manner, permitting investors to listen in, either by telephonic means or through Internet webcasting; and
- Fourth, make available, for a few days following the conference call, a replay of the call that may be accessed by investors through the Company's Internet website.

Dealing with the Agent Bank and Participants under the Company's Bank Credit Agreement(s)

The Company's relationship with its Agent Bank and loan participants is governed by a comprehensive credit agreement pursuant to which the Company has agreed to provide information regarding the "*operations, business affairs, and financial condition*" of the Company to the bank and loan participants as they may reasonably request, subject to such information being kept confidential. All dealings with the Agent Bank and loan participants should be directed by the office of Denny's Chief Financial Officer or Vice President and Treasurer.

The "Disclosure Principles" stated above apply to all dealings with the Agent Bank and loan participants. It is suggested that where material nonpublic information is given to the Agent Bank or loan participants pursuant to the credit agreement, that a statement, in substantially the form indicated immediately below*, be included with the information delivered to the Agent Bank and loan participants.

**"The information contained herein has not been made public and is furnished to certain key executives and certain lenders on a confidential basis for their use. It should be used only for that purpose and not divulged to any other persons. Trading in*

Company securities after receipt of this information and until it has been made public, or its improper disclosure to others, could result in violations of federal securities laws."

Dealing with the Press

It should be expected that any statement made to the press, whether written or oral, will be disseminated promptly and simultaneously to all elements of the investing public. As a result, you need not fear that any such statement could assist an "insider trading" violation. Liability may be incurred, nevertheless, with statements emanating from the Company concerning "future events" such as financial results for periods not yet ended. Therefore, when dealing with the press, take care to observe the Disclosure principles stated above, particularly the limitation on disclosure of forward-looking information. In addition:

- Inquiries made on behalf of a "wire service" (such as Dow Jones, AP or Reuters) or other national or international institution should be directed at once to the **public relations department at Denny's headquarters in Spartanburg, SC.**
- All requests for financial data should be answered by or under the direction of the Chief Financial Officer of Denny's.

11. Proprietary Information

It is very important for all employees to safeguard the Company's trade secrets and confidential information appropriately and to refuse any improper access to trade secrets and confidential information of any other company, including our competitors.

Trade secrets or proprietary information includes any information which is not generally disclosed and which is useful or helpful to the Company and/or which would be useful or helpful to competitors. Common examples include such things as financial data, internal employee memoranda, sales figures for individual projects or groups of projects, planned new projects or planned advertising programs, areas where the Company intends to expand,

lists of suppliers, lists of customers, wage and salary data, capital investment plans, projected earnings, changes in management policies of the Company, testing data, suppliers' prices to us or plans to improve/change products, the Company's Brand Standards Manual, Food Safety & Standards Visitation program and any training videos.

In terms of trade secrets and confidential information, our basic guidelines are:

1. Suppliers and any external consultants may be required to sign a statement agreeing to maintain in strictest confidence any information obtained by representatives while conducting business with the Company.
2. All personnel must be alert to inadvertent disclosures which may arise in either social conversations or in normal business relations with our suppliers and customers.
3. No employee has the authority to release confidential or proprietary information to anyone outside the Company without the express written approval of an officer.
4. All confidential and proprietary information must be handled with proper security at all times. An employee should not allow such material to be obtained by individuals outside the Company through negligence or lack of proper concern.
5. Employees separated from the Company have a legal obligation to return to the Company any confidential or propriety information in their possession prior to leaving work.
6. If deemed appropriate, employees may be asked to sign individual confidentiality agreements reflecting these policies.

12. Valuing Individual Diversity

In the conduct of Company business, employees and vendors should respect the rights and cultural differences of individuals. Employees and vendors must practice the principle of equal employment opportunity and must adhere to the Denny's policy regarding nondiscrimination. Equal opportunity shall be provided in all aspects of the employment relationship, including recruitment, hiring, work assignment, promotion, transfer, termination, wage and salary administration, and selection for training.

13. Harassment

It is the policy of the Company to provide and maintain a working environment free of harassment, intimidation or exploitation of any nature. **Harassment of any type is not tolerated at Denny's.** Harassment includes offensive language, gestures, physical contact or other conduct in the work place that creates an intimidating or otherwise offensive environment. Any employee who believes that he or she has been the subject of harassment (or believes he or she observed the harassment of a Company employee or applicant by another employee or agent) should report the alleged act promptly. This non-harassment policy is further described in the Company's Policies & Procedures Manual, its employee handbooks, and in management training courses offered by the Company.

14. Safety, Health and Environment

The Company is committed to providing a safe and healthy work place for its employees as well as for visitors and customers to our premises. Anything less will not be tolerated at Denny's. We are equally committed to preventing deterioration of the environment and minimizing the impact of our operations on the land, air and water. These commitments can only be met through the awareness and cooperation of all personnel. We each have a responsibility to abide by safe operating procedures, to guard our own and our fellow employees' health and to maintain and utilize pollution control systems.

In the U.S., regulatory agencies exist under federal, state and local jurisdictions to ensure compliance with laws and regulations affecting safety, health and environmental protection. It is the Company's policy to comply with both the letter and the spirit of the laws and regulations imposed by these agencies and to attempt to develop a cooperative attitude with inspection and enforcement personnel from the agencies. In keeping with this spirit, employees are encouraged to report to their supervisors conditions which they perceive to be unsafe, unhealthy or hazardous to the environment.

15. Wage and Hour

Denny's will comply with all applicable laws and regulations regarding the proper payment of wages. These include proper recordation of all time worked and payment of overtime, payment of the applicable minimum wage, and strict compliance with any restrictions on the hours and duties of minor employees. The Company will also follow state or local laws regarding payment of wages, including allowable deductions, garnishment of wages, and payments to separated employees. Failure to comply with these wage and hour guidelines or inappropriate alteration of actual hours worked shall be grounds for dismissal.

16. Travel and Entertainment

Denny's has issued a consolidated Corporate Travel and Entertainment Expense Policy intended to define guidelines for business travel and reimbursement of related expenses and to help assure control of those expenses. All employees are expected to adhere to the guidelines and limitations contained in that policy.

17. Information Security Policy and Intellectual Property

All employees in the course of their work deal with confidential information of Denny's and third parties with whom the Company transacts business. This "trade secret" information may be in any form, including confidential technical information, market information, financial information, or personnel information.

Improper use of trade secrets is not only unethical, but it may subject an individual and the Company to civil and criminal liability. Accordingly, employees are expected to respect the legal and ethical obligations associated with handling Company and third party trade secrets.

Denny's is the legal owner of all Company data and information used in the business activities of the Company, including voice, data, video, and still images in whatever form of communication. It is Denny's policy to protect the integrity and confidentiality of such data and information by regulating its access, use, and disclosure. This policy is described in detail in Denny's Information Security Policy, and you should consult that document if you have any questions regarding compliance responsibilities.

Denny's employees must also observe other obligations associated with material that is protected by copyright, such as computer software. Impermissible copying of software may subject employees and the Company to liability, including criminal liability, for willful copyright infringement. Employees using software need to understand the obligations imposed on them and the Company by copyright laws and by licensing agreements that Denny's has entered into with the copyright owner.

18. Anti-Retaliation Policy

The Company adopted the Standards of Business Conduct program, in part, as a way of providing employees with alternative avenues for reporting and seeking correction of suspected wrongdoing. It remains Denny's policy that no adverse action such as discharge, demotion, suspension, harassment, or discrimination shall be taken solely because any employee, in good faith, reports suspected misconduct under these procedures to his/her supervisor, to the Compliance Committee, or to any applicable enforcement agency. While employees cannot insulate themselves from discipline by reporting their own violations, self reporting may, in appropriate circumstances, be considered as a mitigating factor in any disciplinary action taken. If requested, Denny's will attempt to

maintain the anonymity of such reporting employees to the greatest extent possible.

19. Record Retention

Many laws and regulations applying to Denny's business include detailed record keeping requirements. Denny's will compile accurate and complete records meeting these requirements and will maintain them in the form and location required for each individual record for the time period required by law. The Company has adopted a Records Retention Policy which sets out many of these requirements and should be consulted if you have any questions regarding record keeping and document maintenance.

20. Government Contracting

In pursuing business with governments of various countries, the standards of conduct and prohibited practices may be different from those adhered to in commercial business. For example, in the U.S., the giving of or offering to accept business courtesies from the government is severely limited. Courtesies could even include simple items such as meals and entertainment. These laws are often complex and impose serious civil and criminal penalties for violations on both the company and employees participating in improper practices.

21. International Laws

There are several areas in which acts carried out in one part of the world can result in prosecution under the laws of another country. The most important of these are:

a. Foreign Corrupt Practices Act ("FCPA") - The FCPA was enacted in the U.S. to prohibit payments outside the U.S. by or on behalf of U.S. companies and their subsidiaries to bribe foreign government officials to secure business or business opportunities. In addition, the FCPA requires Denny's to use proper accounting controls and to maintain reasonably detailed books and records of foreign business transactions.

b. Antiboycott - A boycott occurs when a person or group of people refuses to do business with certain other people or countries. One example is the Arab boycott of Israel. The U.S. antiboycott laws generally prohibit U.S. companies and their subsidiaries from cooperating with international boycotts which the U.S. Government does not sanction. U.S. companies and their subsidiaries must report any requests they receive to engage in boycotting activity to the U.S. Government.

22. Food Safety and Health Claims

Due to the nature of Denny's business, it is essential that we meet or exceed all applicable Department of Agriculture, state, or local requirements for food purchased by the Company or prepared for delivery to customers. In addition, all Denny's locations, both company-owned and franchised, will meet or exceed any legal requirements for sanitation of the premises and preparation of various meals. Federal rules closely govern the making of any nutritional or health claims regarding particular foods. No Denny's location shall make any such claims about any product without the consent of the Company's nutritionist and legal counsel as to the exact language used. All prepackaged products shall meet applicable federal ingredient and nutrition labeling requirements.

23. Advertising

Federal Trade Commission and state laws and regulations prohibit the use of false or misleading information in any advertising or publicity materials. Denny's is committed to adherence to these standards. Any advertising copy released by the Company shall contain truthful and accurate representations of all information, including prices, quantities, content, and times.

24. Environmental

In recent years, government at all levels has enacted strict laws to govern environmental compliance. Moreover, enforcement authorities have shown a strong tendency to enforce criminal laws against corporations and their employees for serious environmental offenses. Environmental laws govern some aspects of Denny's

business including site selection, solid waste disposal, recycling, and sewer discharges. Denny's believes in a high standard of excellence in regard to the relationship between its business and the environment. The Company will therefore comply with the terms of all applicable environmental laws and regulations which might apply to its business operations.

25. Antitrust

Denny's expects to compete vigorously but fairly within its industry and to comply with all applicable antitrust laws and regulations. Employees are expected to seek the advice and guidance of the Company's legal counsel with regard to any transactions which have antitrust implications. Agreements with our competitors to fix prices charged customers or to allocate operational territories are strictly forbidden. All employees with responsibilities for setting prices are expected to maintain a basic familiarity with the principles and purposes of these laws and their application to their job duties. All Denny's employees shall refrain from any activity which conflicts with these laws or which creates the appearance of a conflict.

III. CONCLUSION

A. Compliance

These guidelines apply to all employees of Denny's. The Compliance Committee shall be composed of at least three (3) members of the Company designated by the Chief Executive Officer ("CEO"). It will be responsible for investigating and reporting to the CEO all verified reports of violations of these standards. This committee will also assure the confidentiality of such reports to all persons who report violations, subject to any disclosure obligations required or created by federal, state or local law. Further, the Compliance Committee shall be responsible for creating and administering training and compliance programs designed to enable and ensure compliance with these standards. Any violation of, failure to comply with, or failure to enforce Denny's Standards of Business Conduct by any officer or employee

shall be valid grounds for dismissal and shall subject such person to disciplinary action ranging from a warning to discharge and/or civil suit and criminal prosecution.

B. Responsibility for Administration

The Compliance Committee, in conjunction with the Human Resources Department, Assets Protection Department, Legal Department and all levels of management, is responsible for the administration of this Standards of Business Conduct program.

C. Responsibility for Reporting Violations

It is the obligation of each employee of the Company to report promptly any actual or reasonably suspected violation of the Standards of Business Conduct in the manner established by the Compliance Committee. Employees should not ignore violations of Denny's ethical standards that they may encounter by presuming that it is not their job to report such violations. Instead, employees should promptly report any and all suspected violations to the appropriate individuals as directed herein. All reports made will be promptly investigated and appropriate corrective or disciplinary action will be taken. Every effort will be taken by the Company to protect the identity of the reporting employee.

IV. ACKNOWLEDGMENT OF RECEIPT FORM

***STANDARDS OF BUSINESS CONDUCT
FOR
DENNY'S EMPLOYEES***

By signing below, I hereby certify that:

- > I have received a copy of Denny's "Standards of Business Conduct" guidelines.
- > I have read and will comply with these guidelines in their entirety.
- > I agree to report any possible violations I may observe involving the Standards of Business Conduct to one of the following:
 - 1 - The General Counsel's Office at (864) 597-8671.
 - 2 - My immediate supervisor (who will then contact the above number).
 - 3 - My human resource representative.

Signature

Print Name _____

Date _____

Please return this signed form, no later than 30 days from the date you receive your copy of the SBC, to your Management Committee Member, who will in turn forward it to the Legal Department at: Denny's Corporation, 203 East Main Street (MS P-12-02) Spartanburg, SC 29319.

Date: _____

By: _____
(For home office use only)



Great Food and Great Service by Great People...

Every Time!