



Position Specification

Denny's Corporation

Senior Vice President and General Counsel

Private and Confidential

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Our Client

Denny's is America's diner, where guests have come for over 60 years to sit back, relax, and enjoy delicious, hearty meals 24/7, every day of the year. It is an iconic and historic brand with 97% brand recognition in the United States. Denny's mission is to become the world's largest, most admired, and beloved family of local restaurants through a purpose-driven and values-led leadership approach.

Denny's loves feeding people, and shares that love through a deep commitment to social responsibility led by a culture of values expressed through Denny's Guiding Principles: Guests 1st, Embracing Openness, Hungry to Win, Proud of our Heritage and the Power of We! And though Denny's support for Diversity, Equality & Inclusion (DEI), community partners, and local and national charitable efforts are too numerous to mention, Denny's stands out for its partnership with No Kid Hungry to end childhood hunger in America, its Hunger for Education Scholarship Program for underprivileged college bound youth, and for Denny's Mobile Relief Diner, sharing the love of feeding people when they need it most during times of disaster.

Denny's franchises and operates one of America's largest full-service restaurant chains, based on the number of restaurants. As of June 26, 2019, Denny's had 1,702 franchised, licensed, and company restaurants around the world including 137 restaurants internationally. The company is on a path to become one of only three corporations to reach 2,000 franchised full-service restaurants. Soon to be nearly 97% franchised, the company maintains strong and collaborative relationships with its franchisees, including five brand advisory councils of franchise and corporate leaders to guide the Denny's brand. There are approximately 246 franchisees within the Denny's family of restaurants, with the largest 36 franchisees, who operate over 10 restaurants each, comprising over 60% of the franchise system.

The concept began as a donut shop in Lakewood, California in 1953 that morphed into a coffee shop, evolving from Danny's Coffee Shop to Denny's Coffee Shop to Denny's in 1961. The chain began trading on the New York Stock Exchange in 1968, before being acquired in 1991 by multi-concept operator Advantica, based in Spartanburg, South Carolina. Sister brands were subsequently divested, and the company was renamed Denny's Corporation in 2002, reflecting the singular brand focus.

Denny's is committed to growing both its domestic and international footprint through traditional development and non-traditional venues such as travel centers, takeout, and third-party delivery. Based in **Spartanburg, South Carolina**, Denny's is one hour from Charlotte, just over two hours from North Atlanta, and a short drive to the mountains or the beach. The attractive headquarters houses 300 associates, and boasts a state of the art culinary center including replica cooking lines and service station set-ups to enable testing of new products and equipment. The on-site restaurant, "The Den", allows team members to gather for meetings and meals around Denny's delicious menu items every day.

Under the leadership of Chief Executive Officer John Miller, supported by an impressive executive team of leaders, and thanks to focused efforts against the positioning as “America’s Diner” that is “Always Open” and numerous initiatives to keep the brand relevant to its many constituents, the business represents a successful turnaround story. The concept is experiencing its ninth straight year of same-store sales growth, while also opening 40-50 restaurants each year (including a big international push) and the stock has increased six-fold since 2011 with adjusted net income growth per share of nearly 240%.

Over the years, Denny’s has gained a cult association with its popular offerings like the Moons Over My Hammy®, the Super Bird®, and the world-famous Build Your Own Grand Slam®, with over 21 million sold in 2016. Its expansive menu features delicious, innovative options for appetizers, lunch, dinner, and dessert, any time of day. The wide variety of dishes also caters to the taste and dietary requirements of every guest who walks through its doors. So whether diners are in the mood to indulge in a Spicy Sriracha Burger, Lumberjack Slam®, or prefer a lighter alternative such as the Fit Fare® Loaded Veggie Omelette, Fit Slam®, or Wild Alaska Salmon, the diner caters to every craving. Along with the 16-item \$2 \$4 \$6 \$8 Value Menu® and buzzworthy limited-time-only menus, evolving variety and taste play a key part in how Denny’s continually develops its product line-ups to fit within its guests’ diverse and ever-changing lifestyles.

The brand has found a relevant and contemporary multi-generational and multi-cultural balance by incorporating strategic partnerships with key brands such as Disney, 20th Century Fox, Warner Brothers, DreamWorks, AARP, and the Tom Joyner Foundation.

In coordination with its franchisee network, Denny’s continues to invest in the overall guest experience — in-restaurant, online, and in the community. From contemporary location remodels and innovative restaurant guest technology, to a brand culture that promotes an openness to all people, ideas, and perspectives, Denny’s is truly a brand on the move.

Key Recent Performance Results

- Achieved \$2.9B in annual system sales in 2018 while completing eighth consecutive year of positive same-store sales growth
- Opened over 350 new restaurants since 2011, including over 60 international locations
- Generated nearly \$390 million in Adjusted Free Cash Flow over the last 8 years
- Grew Adjusted Net Income per Share by 240% since 2011, supported by \$424 million in share repurchases

Due to the planned retirement of twenty-five year industry veteran Tim Flemming as General Counsel, the company is seeking a strong and collaborative leader to assume the top role as Senior Vice President, General Counsel, leading three in-house attorneys and a team of seasoned professionals across franchising, employment, compliance, corporate, brand protection, and litigation. Russell Reynolds is leading a nationwide search for this role.

The Role

With the upcoming retirement of the incumbent, Denny's is seeking to recruit a General Counsel to lead its legal function as well as the corporate secretary function supporting the Board of Directors. He/she will report to the CEO and be responsible for advising the Chief Executive Officer, the Board, and other members of the Denny's Leadership Committee, which is comprised of the CEO's and CFO's direct reports, focusing on the most important legal and business strategies and issues facing the organization, and providing effective leadership for the legal and compliance functions.

The successful candidate must:

- Ensure that the highest standards of integrity, ethics and behavior, consistent with the organization's unwavering values, guiding principles, and mission, are upheld.
- Support the organization's business strategy, goals and objectives by serving as a true business partner, balancing business risks appropriately against business objectives, discerning issues of real importance from minor ones, and collaborating effectively across functions.
- Lead the charge in setting the organization's legal agenda, identify and address critical issues for the company, anticipate and plan for "over-the-horizon" risks that may impact the organization in the future and proactively identify ways to advance the business objectives through legal and business initiatives.
- Participate in the strategic as well as tactical execution of Denny's expansion goals, including playing a leading role in any potential merger, acquisition or alliance discussions.
- Lead, develop and motivate a team of attorneys and other professionals, while also driving the assessment of talent throughout the legal organization to establish talent development and succession plans and to ensure sufficient bench strength in both technical and leadership skills to meet the future challenges of the company.
- Assure the availability, continuity, consistency and quality of competent, timely, and cost efficient legal services across the organization, including considering deployment of technology or alternative legal models to improve services while simultaneously managing costs.
- Manage the department's resources and priorities, engaging outside counsel prudently and cost effectively when necessary.
- Serve on the Denny's Leadership Committee and participate in the overall management of the organization as an integral member of the company's executive leadership.
- Work effectively with the Board, providing advice and counsel, as well as reporting and communicating with them, as appropriate, on vital issues.
- Supervise the company's public reporting legal requirements, including SEC and NASDAQ regulatory and financial filings.
- Manage franchise relationships in a collaborative and positive manner, helping franchisees adhere to brand standards and provide an optimal guest experience, while holding them accountable for the same and avoiding, where possible, any litigation while periodically reviewing global franchisee policies.
- Be able to negotiate for positive results among all parties, devising creative or novel solutions.

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- Participate in Board and Committee Meetings and manage the function of Corporate Secretary to the Board (either directly or overseeing the role), ensuring effective meetings consistent with all applicable regulatory requirements.

Finally, the General Counsel must set a tone of unwavering dedication to the highest standards, and possess the gravitas and reputation to achieve effective working relationships external and internal to the company, including with Board members, executives, managers, franchisees, and employees throughout the brand.

Candidate Profile

Our client seeks an outstanding, seasoned public company general counsel with broad, deep legal experience and exceptional business acumen and leadership skills that earn the trust and respect of the Board of Directors, the executive leadership team, the legal staff, and the company's large base of franchisees. Demonstrated and collaborative experiences working closely with a Board of Directors and CEO on legal issues, governance matters and business strategy are essential. He/she must have a proven track record of addressing complex legal and business matters across a spectrum of issue areas, including franchising and franchise relationships, securities law, corporate governance, intellectual property, general corporate law, litigation, regulatory, labor and employment. Given the international reach of our client, and its strategic focus on international growth, the ideal candidate will have some global experience. Experience in the food services, hospitality, retail or other franchised models, as well as exposure to a fast-paced, lean and geographically dispersed business would be valuable.

As important as the technical expertise and track record, this individual should have significant leadership capability and the ability to quickly contribute in a meaningful way as a highly effective strategic and commercial partner to an experienced executive team. This individual should operate with a significant degree of transparency, and be capable of articulating a vision and strategy for legal as well as ensuring high quality execution. The successful candidate will be a highly effective leader with the highest standards of personal and professional integrity and character, and promote ethical business behavior throughout the organization and in all of the company's business affairs. Team engagement and development, open communications and humility, as well as the ability to forge close working relationships throughout the company, will be paramount to the success of the individual. The successful candidate will be forward thinking and strategic, yet pragmatic and operationally savvy, with a commitment to building true shareholder value. He or she will also demonstrate commitment to Denny's guiding principles.

Candidate Profile

In terms of the performance and personal competencies required for the position, we would highlight the following:

Setting Strategy

- The ability to create and articulate an inspiring vision for the organization, not only for the areas s/he is directly responsible for, but the enterprise as a whole.

- The inclination to seek and analyze data from a variety of sources to support decisions and to align others with the organization's overall strategy.
- An entrepreneurial and creative approach to developing new, innovative ideas that will stretch the organization and push the boundaries within the industry.
- The ability to effectively balance the desire/need for broad change with an understanding of how much change the organization is capable of handling, to create realistic goals and implementation plans that are achievable and successful.

Executing for Results

- The ability to set clear and challenging goals while committing the organization to improved performance; tenacious and accountable in driving results.
- Comfortable with ambiguity and uncertainty; the ability to adapt nimbly and lead others through complex situations.
- A risk-taker who seeks data and input from others to foresee possible threats or unintended circumstances from decisions; someone who takes smart risks.
- A leader who is viewed by others as having a high degree of integrity and forethought in his/her approach to making decisions; the ability to act in a transparent and consistent manner while always taking into account what is best for the organization.

Leading Teams

- The ability to attract and recruit top talent, while also investing in the development of the legal team. Can motivate, delegate effectively, celebrate diversity, and manage performance; widely viewed as a strong developer of others, while also not above “being in the weeds” as is the nature of small legal departments.
- The ability to persevere in the face of challenges, and exhibit a steadfast resolve and relentless commitment to higher standards, while commanding respect from followers.
- A leader who is self-reflective and aware of his/her own limitations; leads by example and drives the organization's performance with an attitude of continuous improvement by being open to feedback and self-improvement.

Relationships and Influence

- Naturally connects and builds strong relationships with others, demonstrating strong emotional intelligence and an ability to communicate clearly and persuasively.
- An ability to inspire trust in others through compelling influence, powerful charisma, passion in his/her beliefs, and active drive.
- Encourages others to share the spotlight and visibly celebrates and supports the success of the team.
- Creates a sense of purpose/meaning for the team that generates this same followership beyond his/her own personality and engages others to the greater purpose for the organization as a whole.

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