

Shareholder Resolution

Whereas, Denny's Corporation (the Corporation) has already committed to sell cage-free eggs and in a May 2007 article, the Corporation's Director of Public Relations is quoted: "Denny's has long advocated humane animal handling practices among our suppliers."

Typically, caged egg-laying hens are confined in wire battery cages with only 67 square inches of cage space per bird—less than a letter-sized sheet of paper—on which to spend nearly their whole lives. The space is so small the birds cannot even spread their wings.

The prestigious Pew Commission on Industrial Farm Animal Production—an independent panel including former US Secretary of Agriculture Dan Glickman—concluded after an extensive two-year study that battery cages for laying hens should be phased out.

The Center for Food Safety states: "Extreme intensive confinement can have potentially serious public health and food safety implications and should be phased out as is being done in the European Union." The largest study ever performed comparing Salmonella risk in battery cage versus cage-free egg production found that factory farms crowding hens in tiny cages had up to 25-times greater odds of being infected with Salmonella than cage-free flocks. And the Union of Concerned Scientists warns: "Many confined animal feeding operations (CAFOs) use crates and cages to crowd too many animals into too small an area. Raising animals in these unnatural and unhealthy environments pollutes water and air, lowers property values in neighboring rural communities, and prompts harder-to-treat human diseases resulting from excessive antibiotic use."

In October 2008, *The New York Times* editorial board noted: "[Industrial farming] means endless rows of laying hens kept in battery cages so small that the birds cannot even stretch their wings. **No philosophy can justify this kind of cruelty, not even the philosophy of cheapness.**" [emphasis added]

In November, Californians overwhelmingly passed the Prevention of Farm Animal Cruelty Act, criminalizing the confinement of laying hens in battery cages (with a phase-out period), punishable by jail time and fines. More than eight million Californians voted in favor of the measure, making it the most popular initiative on the ballot. California, in addition to being our nation's most populous state, is home to more than 600 Denny's restaurants.

Competitors of the Corporation such as Burger King, Carl's Jr., and Hardee's are all using cage-free eggs. In addition to these competitors, other major players in the restaurant, supermarket, and food-service industries and scores of universities are already moving in that direction. Corporate policies and legislation are also reflecting this shift.

RESOLVED, shareholders encourage the Corporation to commit to selling at least 10 percent cage-free eggs by volume.

SUPPORTING STATEMENT

In the proponents' opinion, our company risks loss of business and reputation by not switching to cage-free eggs. By phasing in at least 10 percent cage-free eggs, Denny's can keep pace with competitors and better meet public expectations about animal welfare.

We urge you to vote FOR the resolution.