Resolved: Shareholders request our Board of Directors take the necessary steps to enable as many shareholders as needed to aggregate shares to meet 2% of stock owned continuously for 3 years required to nominate directors to the Company’s ballot.

Whereas: Eliminating group limits and lowering the ownership percentage from 3% to 2% would empower shareholders with smaller holdings to nominate more diverse Board members with independent perspectives. This would benefit the Company, especially given the influence that Nelson Peltz and hedge fund Trian Partners hold over the Board. Reports that they are exploring a potential acquisition of the Company present additional governance concerns.¹

Peltz and Trian hold 19.24% of Wendy’s Common Stock, approximately $865.8 million of Wendy’s $4.5 billion market cap.² Board Chair Nelson Peltz is a Founder of Trian; Matthew Peltz, Trian Partner and son of Nelson Peltz, sits on Wendy’s Board as Vice-Chair with Trian Co-Founder Peter May as Senior Vice-Chair; Trian Principals chair four of the Board’s seven committees, with former Trian associates chairing the remaining three; and nine of the ten non-executive Board members have current or former business associations with Nelson Peltz or Trian.³ Accordingly, shareholders remain concerned that the Chair and his fund have outsized influence over the Company’s senior leadership and Board.

Adding to these governance concerns, Wendy’s Board has failed to adequately manage human rights risks in its supply chain. Wendy’s was unresponsive to the Franciscan Sisters of Allegany, NY’s 2021 shareholder resolution, supported by 95% of votes cast, requesting disclosure about worker protections in the Company’s food supply chain.⁴ The related exempt solicitation outlining the aforementioned concerns and urging shareholders to vote “no” on four Board Members contributed to decreased support for them in 2022,⁵ for example:

- Peter Rothschild received 86.9% support, placing him in the bottom 10% of S&P MidCap 400 board members.
- Nelson Peltz received 92.6% support placing him in the bottom 17% of the S&P MidCap 400.

Less than a week after Wendy’s annual meeting, Trian announced it was exploring its potential transaction with Wendy’s.

Proxy access serves as an accountability guardrail to help ensure effective oversight when management-nominated directors fail to respond to shareholder concerns. The Company’s proxy access currently allows 25 stockholders, owning 3% of outstanding Common Stock continuously for 3 years, to aggregate their shares to nominate directors, but in practice, it renders proxy access inaccessible, partly due to Peltz and Trian’s large holdings. At Wendy’s, proxy access would require average share ownership of around $5 million, something smaller, independent, diverse shareholders cannot achieve. Removing the cap on the number of stockholders is an emerging investor expectation and best practice, receiving 36% shareholder support at Target Corporation,

² https://www.sec.gov/Archives/edgar/data/1345471/000134547122000063/amend56.htm
³ https://www.sec.gov/Archives/edgar/data/30697/0001387131222004700/wen-px14a6g_041122.htm
⁵ https://static1.squarespace.com/static/5d4df99c531b6d0001b48264/t/6291168ee0e5c3371f0ebd6d/1653675662447/DRAFT+2.0++MA+IASJ+statement+on+WEN+transaction.docx.pdf
and pairing it with a 2% ownership threshold is particularly warranted at Wendy’s to address governance concerns.\textsuperscript{6}  

\textsuperscript{6} https://www.sec.gov/ix?doc=/Archives/edgar/data/0000027419/000002741922000018/tgt-20220608.htm