



February 3, 2020

Vanessa A. Countryman  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

**Re: SEC File Number S7-23-19**

Dear Ms. Countryman:

The Society for Corporate Governance (the “Society”) appreciates the opportunity to provide comments to the U.S. Securities and Exchange Commission (“SEC” or “Commission”) on the Procedural Requirements and Resubmission Thresholds under Exchange Act 14a-8 (the “Proposed Rule”).

Founded in 1946, the Society is a professional membership association of more than 3,700 corporate and assistant secretaries, in-house counsel, outside counsel and other governance professionals who serve approximately 1,700 entities, including 1,000 public companies of almost every size and industry. Society members are responsible for supporting the work of corporate boards of directors and the executive managements of their companies on corporate governance and disclosure matters.

## **I. Introduction**

The Society recognizes the significance of the shareholder proposal process as an important means for shareholders to engage with the companies in which they invest. However, since 1954, when the last major amendments to Rule 14a-8 were enacted, there have been dramatic changes in the public markets, the manner in which shares are held and voted and the ways in which companies and their shareholders engage. The fundamental changes in the relationship between issuers and shareholders (including with respect to shareholder engagement and the shareholder proposal process) are not adequately addressed by the current Rule 14a-8 regime.

As has been broadly reported, the number of shareholder proposals has increased significantly. Meanwhile, the current concentration of ownership in institutional hands has reached levels that could never have been foreseen in 1954. When this concentration is coupled with the influence that proxy advisors wield with institutional investors, many of these proposals are virtually guaranteed a baseline level of support—both when originally submitted and then resubmitted. The automatic baseline level of support that flows from proxy advisor

recommendations quite often exceeds the SEC’s current (and even proposed increased) shareholder proposal resubmission thresholds.<sup>1</sup>

Finally, in contrast to 1954 when the shareholder proposal process was virtually the only way for shareholders to convey their message to companies and to other shareholders, we now have the internet and social media as means by which shareholders can speak out. In addition, the SEC has dramatically relaxed its rules relating to communication between and among shareholders.

Moreover, issuers now provide their shareholders with more options for communicating and are engaging and addressing shareholder matters on a regular basis. As SEC Chairman Clayton has observed, “72% of S&P 500 companies report[ed] engagement with shareholders in 2017, compared to just 6% in 2010.”<sup>2</sup> Given the significance of all of these changes, the Society supports the SEC’s proposal to modernize Rule 14a-8 in ways that preserve the best of the shareholder proposal process, while curtailing its undesirable aspects.

## **II. Estimated Issuer Costs of Managing Shareholder Proposals**

An issuer’s financial and non-financial costs of addressing shareholder proposals are significant and an appropriate consideration in the SEC’s efforts to modernize Rule 14a-8. An issuer’s costs of dealing with shareholder proposals upon initial and subsequent submissions vary based on various factors. These factors include: (1) whether no-action relief is sought from the Staff, (2) the nature of the proposal, (3) the governance position of the issuer, and any changes thereto, over the course of the years of submission, (4) the importance of the issue at hand to the company and the proponent, and (5) the need to seek outside legal advice, proxy solicitation services, consulting services, or other advisory services to respond to the proposal.

In a recent Society survey<sup>3</sup> of public company members, 41% estimate their company’s monetary costs of addressing shareholder proposals is between \$10,000 to more than \$200,000 in any given year.<sup>4</sup> The disparate range is due to differing company practices about how they resource responding to shareholder proposals and whether they track the costs of internally resourced strategies.<sup>5</sup> A 2019 study by the Center for Capital Markets Competitiveness found that such costs average \$87,000 per proposal,<sup>6</sup> which is consistent with Society member experience.

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<sup>1</sup> See the Society for Corporate Governance comment letter on Amendments to Exemptions from the Proxy Rules for Proxy Voting Advice (SEC File Number S7-22-19)

<sup>2</sup> <https://www.sec.gov/news/public-statement/statement-announcing-sec-staff-roundtable-proxy-process>

<sup>3</sup> Society Survey; conducted December 2019. The survey is attached as Appendix A. Minor changes were made to protect respondent anonymity. The survey instructions provided that only one member per company was permitted to respond on the company’s behalf.

<sup>4</sup> Society Survey, Question 3, 119 respondents

<sup>5</sup> Id., A key variable is the use of outside counsel, usually with respect to the drafting and filing of no-action letters. Society survey respondent estimates of outside counsel expenses alone: “\$20-25k” per no-action letter; “In terms of outside spend, we spend well over \$125k each year managing proposals”; “outside counsel expenses...often cost us more than \$200,000.” (Individual responses to Question 17)

<sup>6</sup> <https://www.jonesday.com/en/insights/2019/08/our-perspective-sec-should-truly-take>

For example, an individual Society member provided the costs of a single shareholder proposal in each of 2018 and 2019.<sup>7</sup> In 2018, the member's company spent \$109,792, which included seeking no-action relief and ultimately concluding with withdrawal of the proposal. In 2019, the same company spent \$133,587 on a proposal that was ultimately included in the proxy.<sup>8</sup>

In addition to the direct financial costs, there are significant additional costs incurred by issuers when addressing shareholder proposals, including time dedicated by internal legal, corporate governance, communications and investor relations staff, subject matter experts, executive management, and the board of directors on evaluating each proposal, creating and implementing an engagement strategy and preparing a response. Since the opportunity cost imposed by shareholder proposals is significant, the Society believes that a shareholder's access to an issuer's proxy statement should be balanced against the obligations of boards and management to deliver value to all shareholders, not just proposal proponents.

### **III. Proposed Increase to Eligibility Requirements - Rule 14a-8(b)**

The Society appreciates the Commission's interest in examining and proposing changes to the initial stock ownership eligibility thresholds for including a shareholder's proposal in an issuer's proxy statement. The Society is supportive of the proposal to establish more meaningful ownership thresholds with respect to the value of shares owned and the length of time those securities have been held, including a tiered approach that recognizes the importance of having a longer-term ownership interest. The SEC is to be commended for seeking the correct balance between a shareholder's economic stake or investment interest in the issuer and all the costs of the inclusion of a proposal in the company's proxy statement mentioned above. We believe the cost-shifting of the proxy solicitation from the proponent to the company's other shareholders needs to be considered.

The Society believes that targeted modifications to the Proposed Rule are appropriate to reflect inflation and/or stock market performance. Considering the changes in the value of shares since 1954, the Society recommends increasing the lowest tier threshold from \$2,000 to \$3,000 to reflect Consumer Price Index (CPI) and stock market changes, as highlighted by the Staff in the Proposed Rule.<sup>9</sup> In addition, the Society suggests instituting an automatic periodic indexing mechanism. This system could be based on CPI or stock market changes, although, admittedly, using CPI changes would be easier to administer. The Society suggests adjusting the threshold at three-year intervals if changes wrought by inflation or the stock market would cause an increase of more than \$500 to any of the ownership levels.

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<sup>7</sup> Data submitted to the Society by a member that wishes to remain anonymous.

<sup>8</sup> The estimated costs included: time of meetings of internal staff; estimate of internal staff time for research and writing, with time calculated using total compensation cost per individual; minimal outside counsel time; print/mail expenses based on cost per page; and associated travel expenses (excluding lodging). Estimate did not include Board time, staff time for Board material prep, outside advisors other than legal counsel, proxy solicitation costs, time spent on engagement calls with shareholders, or hotel costs for travel.

<sup>9</sup> Proposed Rule, p. 19

#### **IV. Proposed Changes to the Resubmission Thresholds - Rule 14a-8(i)(12)**

The Society appreciates the Commission's interest in reexamining and proposing changes to the shareholder proposal resubmission thresholds set out in Rule 14a-8(i)(12). Repetitive (and unsuccessful) proposals are one of the most frustrating 14a-8 issues confronting Society members.

We believe the resubmission test should include a “positive” momentum requirement such that a proposal which has “stalled” in shareholder support would not be eligible for resubmission without a cooling off period. In addition, the Society is generally supportive of the Staff’s proposal to increase the thresholds. However, we believe that the Proposed Rule’s “5/15/25%” thresholds do not go far enough. For the reasons set out in more detail below, the Society believes that the Proposed Rule should include resubmission thresholds proposed by the Commission in its 1997 Proposing Release<sup>10</sup> of 6% favorable vote on the proposal’s first submission, 15% on the second submission, and 30% on the third. These thresholds are even more appropriate today than they were in 1997, and they would still appropriately balance the interests of the issuer community and shareholder proponents.

##### **A. Momentum Requirement**

The Society is supportive of the proposal to impose a momentum requirement on the ability to resubmit a proposal after its third year of consideration. Society survey results found that approximately 24% (28 companies of 116 respondents) of the companies represented had included a substantially similar proposal for more than three consecutive years (and in some cases, ten years or more). Of those 28 companies, three reported proposals passing in the most recent vote, but the majority experienced a vote outcome in the ~20% to mid-30% range even after a three (or more) consecutive year run.<sup>11</sup> The Society believes that, in lieu of a requirement that support for a proposal decline at least 10% in any year after year three in order to be excludable, a positive momentum requirement should be imposed. Positive momentum would require that proposals with stagnant support at a level that is above the three-year threshold but below majority support must show an increase in support in order to be eligible for resubmission without a cooling-off period. In other words, if, after three attempts, the vote support for a shareholder proposal does not increase year-on-year, the issuer (and, ultimately, other shareholders) should not be required to incur the costs of inclusion in perpetuity and, therefore, the proposal should be excludable, at least for a period of time.

##### **B. Resubmission Thresholds**

As stated in the 1997 Proposing Release and supported by current Staff analyses<sup>12</sup> and the results of the Society’s member survey, the Society believes that a proposal that has not achieved these higher levels of support over the designated timeframe has been fairly tested and likely stands no significant chance of obtaining the level of voting support required for approval. As such,

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<sup>10</sup> SEC Release No. 34-39093; Amendments to Rules on Shareholder Proposals; September 19, 1997

<sup>11</sup> Society Survey, Questions 6-8 (116 respondents on base Question 6, with a subset number of respondents in Questions 7-8).

<sup>12</sup> Proposed Rule, p. 48

companies should not be obligated to dedicate their and their other shareholders' resources on the proposal. We believe, however, that a failure to obtain a 30% favorable vote after three attempts is a more appropriate threshold to reflect that inability to obtain majority support.<sup>13</sup> This threshold also reflects recent significant changes to the voting process over time, as discussed above.

## V. One Proposal Per Company Limit

Currently, Rule 14a-8(c) provides that each shareholder may only submit one proposal to a company for a vote at an annual meeting. The Commission's proposed revision to this rule would apply the one-proposal limit to "each person" rather than "each shareholder", thus preventing a shareholder from submitting one proposal in its own name while at the same time submitting additional proposals as a representative of other shareholders, who may have no interest in the issue.

The Society agrees that the proposed clarification of the one proposal limit is appropriate, and we appreciate the efforts of the Commission to reduce the chances for abuse by adhering to the intent of the one-proposal limitation. Under the current rules, the one-proposal limit has been abused. In fact, in 2019, a single proponent submitted 23%<sup>14</sup> of all the shareholder proposals received by companies. This type of abuse occurs when representatives seek out multiple shareholders simply to be able to submit more than one proposal to a particular company. More broadly, Society survey results found that 49% of respondent Society members had received a shareholder proposal submitted by a representative on behalf of a shareholder in the last three years.<sup>15</sup> Moreover, the Society survey shows that more than 39% of respondent companies have received more than one shareholder proposal from the same person or representative in the last three years.<sup>16</sup>

The Society believes that the rule as proposed would greatly reduce the chances for abuse, and we have included below an additional modification designed to further clarify and enhance the proposed updates. The Society suggests that the SEC require shareholders to provide a certification that they are submitting the proposal of their own accord and are not doing so at the request or solicitation of a representative that already has submitted (or is considering submitting) a proposal to the same company. Such a certification would provide greater assurance that representatives are not actively soliciting multiple proposals and reduce the chances for abuse.

Question 36 in the Proposed Rule asks whether companies should be required to disclose in the proxy statement the number of proposals withdrawn or excluded pursuant to a no-action request.<sup>17</sup> We believe the answer is no. As part of the shareholder proposal process, we believe that

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<sup>13</sup> During the 2018 proxy season, the average support for shareholder proposals that resulted in a vote was 32.7% according to a Gibson Dunn analysis. <https://www.gibsondunn.com/shareholder-proposal-developments-during-the-2018-proxy-season>

<sup>14</sup> **2019 Proxy Season Review: Part 1—Rule 14a-8 Shareholder Proposals**, Marc Treviño, Sullivan & Cromwell LLP, July 26, 2019, <https://corpgov.law.harvard.edu/2019/07/26/2019-proxy-season-review-part-1-rule-14a-8-shareholder-proposals/>

<sup>15</sup> Society Survey, Question 9

<sup>16</sup> Society Survey. Question 10

<sup>17</sup> Proposed Rule, Question 36, p. 40

engagement is helpful, particularly for the parties to understand each other's priorities and sensitivities. Proposals are often withdrawn or negotiated as part of that engagement, with both the shareholder proponent and the company coming away with a better appreciation of the issues raised. Accordingly, we do not believe that it would be helpful information for investors if companies were required to disclose the number of proposals that have been withdrawn or excluded pursuant to a no-action request. A proponent is free to make public his or her proposal, as well as the outcome of the proposal, and they often do. We believe this information is not necessary to investors making a voting decision and, more importantly, is already available by other means, namely the SEC's public website that lists Rule 14a-8 determinations. Furthermore, we believe that such a requirement could serve as a deterrent to such engagement.

## **VI. Support Requiring the Designation of a Lead Filer**

The Society appreciates the Commission's statements in the release setting forth the Proposed Rule that the best practice for co-filed proposals is to clearly state in the initial submittal letter that the proposal is being co-filed and to identify the lead filer. We support revising the rules to require these practices, including a requirement that co-filers identify a lead filer who is empowered to negotiate with the company and has the authority to withdraw the proposal on behalf of each co-filer. The Commission did not propose such changes but requested comment on whether it should revise the rules in this way. We believe that these changes, if required by the final rule, would ease the administrative burden of companies and the Commission by reducing confusion created by some duplicative proposals and allowing companies to negotiate with one party with the assurance that such party speaks for all co-filers.

In some instances where a proposal is co-filed, companies have experienced significant burdens in engaging with proponents. For example, a company may enter into discussions with one co-filer, believing that a satisfactory resolution will result in all co-filers withdrawing the proposal. If the co-filer engaging with the company does not have authority to negotiate and withdraw the proposal on behalf of all co-filers, the company may come to terms with one filer only to learn later that other co-filers will not withdraw. In such cases, the company would then be subject to the burden of further negotiations with the objecting co-filer(s) or seeking no-action relief to exclude the proposal.

The Society supports including a requirement that the transmittal communication of a shareholder proposal must clearly state when a proposal is being co-filed. As the Commission noted in footnote 61 to the Proposed Rule, the current rules can lead to situations in which companies receiving duplicative proposals from multiple shareholders are unable to ascertain whether a proposal is co-filed. A proposal that is substantially duplicative of a previously received shareholder proposal that the company includes in its proxy statement may be excluded under Rule 14a-8. In light of the excludability of such duplicative shareholder proposals, the Society further suggests that the Proposed Rule be modified to allow a company to presume that a proposal which is duplicative of a previously received proposal that has been included in a company's proxy is, in fact, excludable without seeking no-action relief. Although the practice of the Staff is generally to concur with a company decision to exclude a duplicative proposal where the co-filer relationship was not clear, requiring proponents to include co-filing status and allowing companies to presume that a proposal is duplicative would likely reduce the frequency of these types of no-action requests.

For example, NextEra Energy, Inc. (“NextEra”) submitted such a no-action request to exclude a proposal under Rule 14a-8(i)(11) with respect to the 2019 proxy season.<sup>18</sup> In its no-action request, NextEra stated that it had received two proposals that had “the same form and substance, and the text of the proposals differ[ed] by only a few words.” Neither proposal indicated that it was co-filed. NextEra filed a no-action request to exclude the later-submitted of these proposals; in response, the proponents revealed that the proposals were intended to be co-filed. Although the Staff concurred with NextEra’s decision to exclude the duplicative proposal, the no-action letter process wasted time and resources for both the company and the Staff, as it included multiple letters submitted to the Staff by NextEra and the proponents.

Imposing a requirement that shareholder proponents clearly state in the initial submittal letter that the proposal is being co-filed and identifies the lead filer is a simple and low-cost way to improve the 14a-8 shareholder proposal process.

## **VII. A Proponent Should Provide Availability and Contact Information**

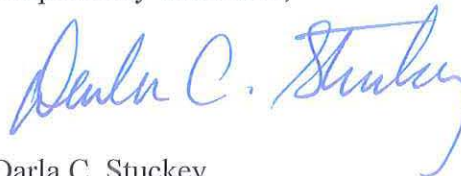
The Proposed Rule seeks to amend Rule 14a-8 to require a statement from the shareholder proponent that he/she is able to engage with the company no less than 10 days nor more than 30 days after the submission of the proposal. The Proposed Rule also requires the proponent to include contact information, as well as specific business days and times that the proponent is available to engage with the issuer. In light of the fact that some frequent shareholder proponents effectively refuse to engage with issuers, the Society supports these process improvements and recommends minor clarifications described below.

The Society suggests the SEC clarify that the times proposed for engagement by the proponent be during “normal business hours.” In addition, we suggest that, in cases where the shareholder proponent is different from the lead filer, the lead filer be required to participate in the engagement. While seemingly prosaic, we believe these clarifications will have a significant impact and substantially improve the shareholder proposal process.

\* \* \*

We appreciate the opportunity to provide comments on the SEC’s proposal to modernize Rule 14a-8. We would be happy to provide you with further information to the extent you would find it useful.

Respectfully submitted,



Darla C. Stuckey  
President and CEO  
Society for Corporate Governance

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<sup>18</sup> See *NextEra Energy, Inc.* (Mar. 19, 2019).

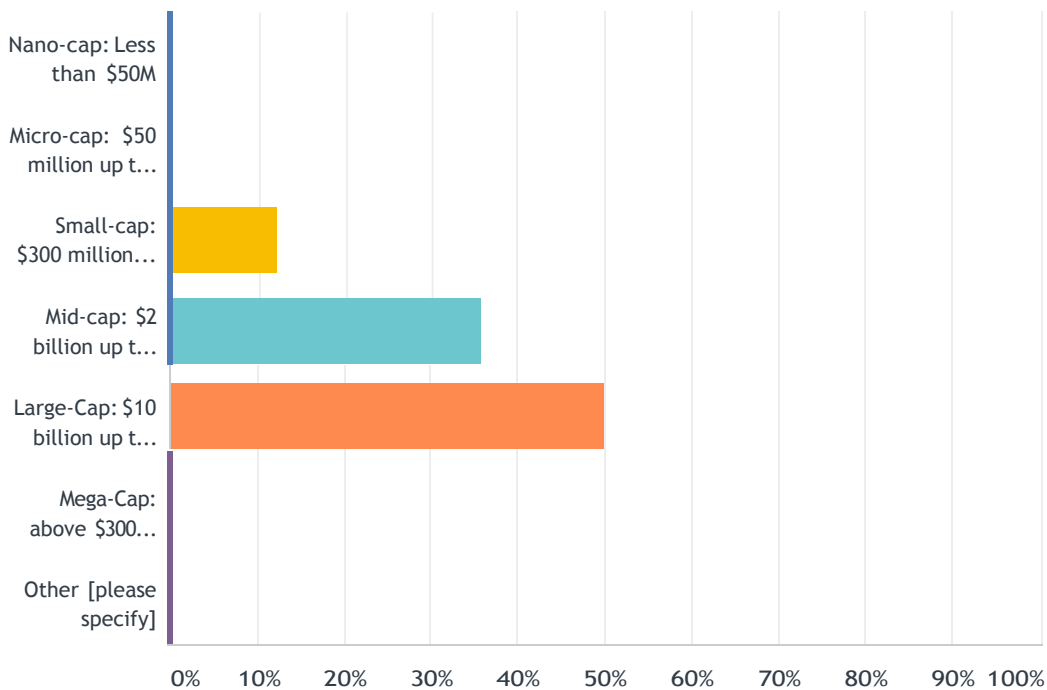
cc: The Honorable Jay Clayton  
The Honorable Robert J. Jackson, Jr.  
The Honorable Hester M. Peirce  
The Honorable Elad L. Roisman  
The Honorable Allison Herren Lee  
William Hinman, Director, Division of Corporation Finance  
Dalia Blass, Director, Division of Investment Management



# APPENDIX A

# Q1 What is your market cap?

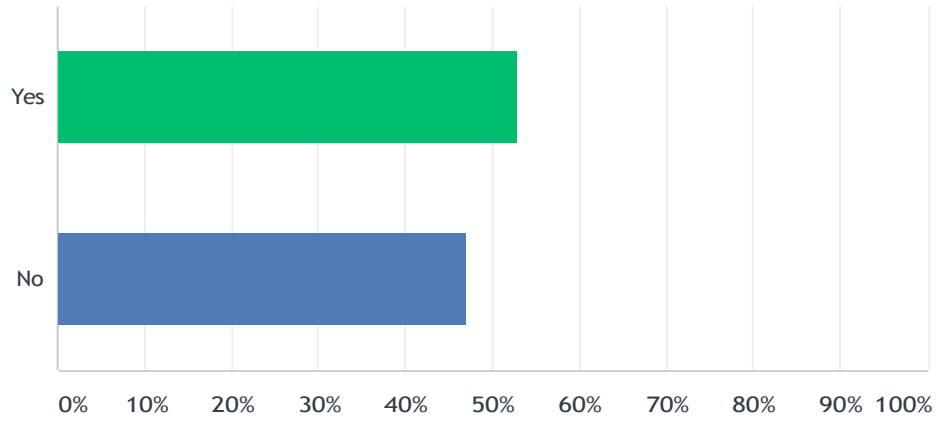
Answered: 149 Skipped: 0



ANSWER CHOICES	RESPONSES	
Nano-cap: Less than \$50M	0.67%	1
Micro-cap: \$50 million up to \$300 million	1.34%	2
Small-cap: \$300 million up to \$2 billion	12.08%	18
Mid-cap: \$2 billion up to \$10 billion	35.57%	53
Large-Cap: \$10 billion up to \$300 billion	49.66%	74
Mega-Cap: above \$300 billion	0.67%	1
Other [please specify]	0.00%	0
<b>TOTAL</b>		<b>149</b>

## Q2 Is your company in the S&P 500?

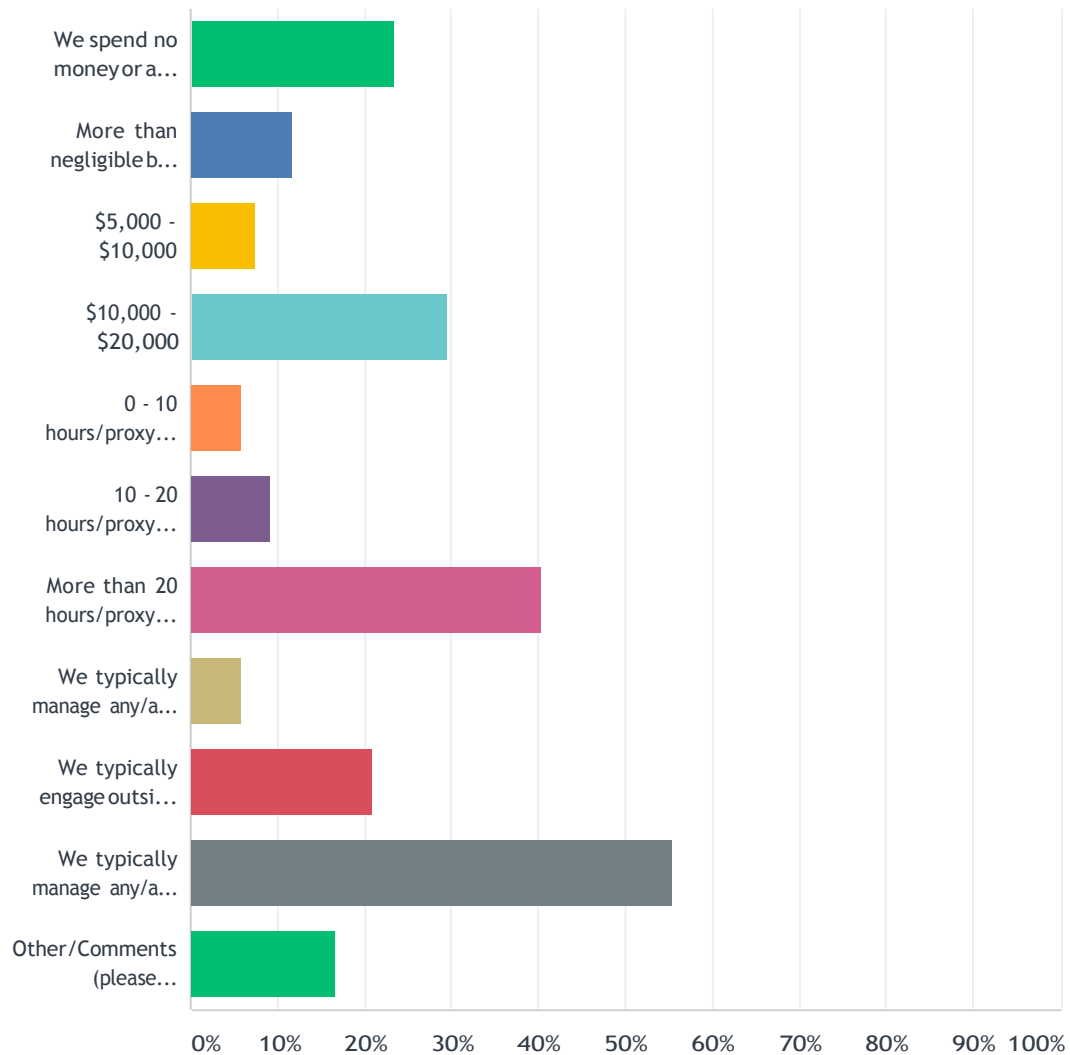
Answered: 149 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	53.02%	79
No	46.98%	70
TOTAL		149

### Q3 How much do you estimate your company devotes on average annually managing/responding to shareholder proposals? Check all that apply:

Answered: 119 Skipped: 30



## Society Survey on 14a-8

ANSWER CHOICES	RESPONSES	
We spend no money or a negligible dollar amount	23.53%	28
More than negligible but less than \$5,000	11.76%	14
\$5,000 - \$10,000	7.56%	9
\$10,000 - \$20,000	29.41%	35
0 - 10 hours/proxy season	5.88%	7
10 - 20 hours/proxy season	9.24%	11
More than 20 hours/proxy season	40.34%	48
We typically manage any/all shareholder proposals in-house	5.88%	7
We typically engage outside advisors (e.g., outside counsel, proxy solicitors, other consultants) to assist with managing or responding to any/all shareholder proposals	21.01%	25
We typically manage any/all shareholder proposals with a combination of in-house and outside resources	55.46%	66
Other/Comments (please describe below)	16.81%	20
Total Respondents: 119		

## Society Survey on 14a-8

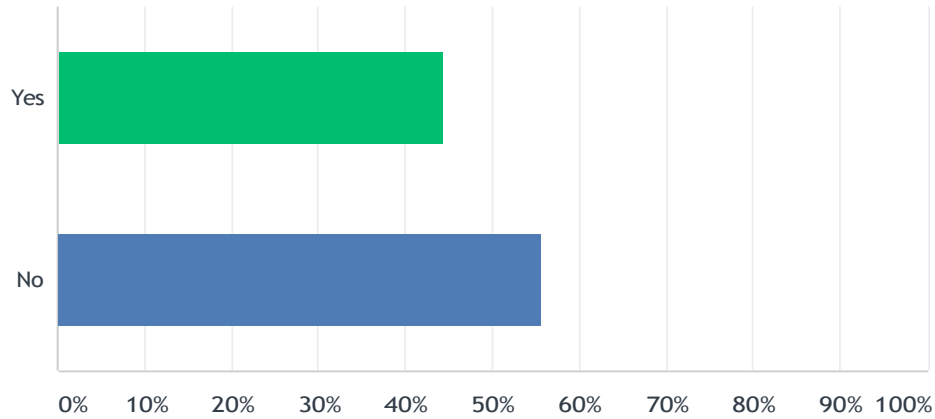
#	PLEASE DESCRIBE:
1	We spent more than \$55,000 this year, in addition to weeks worth of in-house counsel time, managing shareholder proposals submitted by persons holding less than .00001% of our outstanding shares. One matter has consistently received successful no action by the SEC staff since, at a minimum, 2011. It's crazy that anyone has to waste any time at all continuing to respond to a matter that has not had success with any company on the same facts in at least 9 years! Or to proposals submitted by persons holding such an incredibly insignificant amount of shares (which the new proposal really doesn't address either).
2	\$20,000 for dealing with shareholder proposals for an annual meeting is likely on the low side
3	Costs depend on the number of proposals and whether or not a no-action request is made. Could be in the \$10k-\$20k range if there are no-action requests.
4	Costs vary significantly depending on proposals received. Submitting a no-action request will increase costs, and an exceptional solicitation process may involve costs much higher than \$20,000.
5	Depending on the number of no action letters we go for, the dollar amount can easily exceed \$20K
6	depending on the proposal, we may engage outside counsel for advice on how to respond.
7	Happy to discuss this. We do most of the work internally but consult with proxy solicitors and may engage outside counsel. We have calculated the cost of internal time for two recent proposals.
8	Have not received shareholder proposal in more than five years.
9	Historical spending has been low, but we have received more than normal proposals this year so would expect expenses to increase
10	If there is a shareholder proposal, it typically costs us way more to manage than the ranges provided here. Haven't tracked it specifically, but if there are no action requests, I imagine it would cost us up to \$100K to manage. And in most cases, countless hours are involved if you include shareholder calls, etc. It's a significant time and \$\$ commitment.
11	If we do a no action letter - usually at least one a year, sometimes more - it costs \$20-25K in outside legal fees per letter. Even without a letter, we generally incur about 15K in outside fees just for assistance with analysis of related issues. In addition, there is our internal time preparing deficiency letters, preparing responses, discussing with management and the board, engaging with the proponent(s) (we often have co-filers) - well over 20 hours per year, and involving both legal, IR, PR and subject matter experts depending on the proposal. We also have a proxy solicitation firm that assists with proposal analysis - we pay them ~\$25K per year, most of which relates to proposals.
12	If we seek no-action relief from SEC, costs go up
13	In excess of \$50,000 with outside counsel, and in excess of 20 hours/proxy season internally.
14	In terms of outside spend, we spend well over \$125,000 each year managing proposals.
15	Outside counsel expenses alone in managing frivolous proposals or those that ultimately are excluded or negotiated out often costs us more than \$200,000.
16	Spend way more than 20K and 20 hrs. Probably closer to 100k and 100 hrs
17	The answers are based on the years we have received a proposal. Thankfully, we don't receive them every year and we typically receive only 1 when we have received them.
18	We have historically received very few shareholder proposals, but have managed them with a combination of internal and external resources when received and would envision doing so in the future should we receive additional shareholder proposals.
19	We have never received a stockholder proposal
20	We have not had any in the past five years
21	We have not had shareholder proposals in the last 5 years
22	We have not received a shareholder proposal in the past three years.
23	We have not received any shareholder proposals for several years.
24	We have not received any shareholder proposals in recent times
25	We have not received any shareholder proposals in recent years.
26	We have not received any shareholder proposals in recent years.
27	we have not yet received any shareholder proposals

## Society Survey on 14a-8

- 28 We have not yet received any shareholder proposals. If/when we do, we will rely on outside counsel to guide us through the process.
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- 29 We have only received one proposal in 10 years. That proposal probably required more than 20 man hours to address and negotiate.
- 
- 30 We spend more than \$20,000 per year responding to shareholder proposals in years we receive one or more shareholder proposals.
- 
- 31 We spend more than \$20K
- 
- 32 We spend more than \$20k
- 
- 33 We spend significantly more than \$20,000 on advisors each proxy season related to shareholder proposals.
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### Q4 Do you believe the proposed increases to the Rule 14a-8 resubmission thresholds (5, 15, and 25%) would make a meaningful difference for your company in the number of shareholder proposals submitted?

Answered: 115 Skipped: 34



ANSWER CHOICES	RESPONSES	
Yes	44.35%	51
No	55.65%	64
TOTAL		115



## Q5 What thresholds do you believe would make a meaningful difference?

Answered: 36 Skipped: 113

## Society Survey on 14a-8

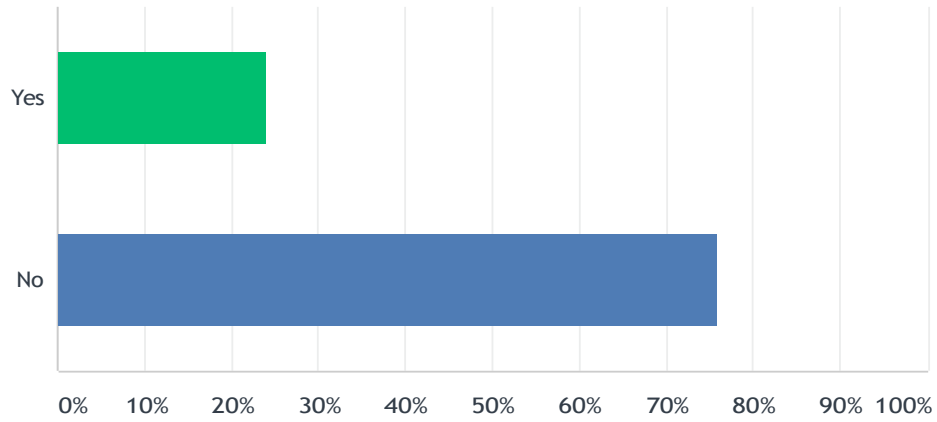
#	RESPONSES
1	25%, 35% and 45%
2	20%
3	50%
4	10/20/1930
5	15, 25, 35
6	20, 30, 50
7	25-30-40
8	30% ultimate threshold
9	30-35-40
10	33, 50, 70
11	about 10% higher than those proposed
12	don't know
13	first year threshold should be at least 10% or 15%
14	I have no issue with the thresholds; we just don't receive proposals and when we have they have always been no-brainers (proxy access, political activity reports) not worth the fight.
15	I like the proposed thresholds; the only reason they wouldn't make a meaningful difference is that we rarely receive shareholder proposals.
16	Increasing the thresholds even more. With so many investors following ISS/GL, the thresholds would likely only come into play when they recommend against a proposal.
17	Initial threshold dollar amount of \$100,000 Resubmission: 20%, 30% and 40%
18	It won't impact our company
19	n/a
20	N/A
21	n/a
22	N/A for us... we have never received one.
23	N/A we don't often have shareholder proposals
24	not sure
25	Not sure
26	Not sure
27	Removing the lower ownership threshold for shareholders owning shares for more than two or three years
28	Sadly, ones that I don't believe will ever be adopted. 30-35% on the top end would be better - given that the minute ISS supports a proposal, we can assume at least a 25-30% support level. The better addition would be a requirement that it must increase a meaningful amount YOY.
29	Something like 15%, 25%, 35%. If less than a third of shareholders are voting in favor, it's obviously not going to pass.
30	Starting at 20%
31	The thresholds as proposed would not have made a meaningful difference to us in the past - unsure of impact in the future but any increase would be helpful.
32	They would need to be much higher.
33	Thresholds only matter if companies are allowed to exclude similar proposals (e.g., anything related to, e.g., carbon disclosures - disclosure vs. policy, etc., is subject to resubmission thresholds. Said differently, playing games / technicalities around resubmission thresholds are the real issue.
34	We anticipate that shareholders will rotate through different proposals to avoid the impact of the resubmission thresholds, and that the absolute number of shareholder proposals will not decrease.
35	We rarely receive proposals.

## Society Survey on 14a-8

- 36 With two notable exceptions, we really have not had to deal with any significant shareholder proposals. Either we haven't received any, or we were successful in getting the proponent to withdraw.
-

### Q6 Have you included one or more of the same proposals in your proxy statement for more than three consecutive years?

Answered: 116 Skipped: 33



ANSWER CHOICES	RESPONSES	
Yes	24.14%	28
No	75.86%	88
TOTAL		116

## Q7 How many years?

Answered: 28 Skipped: 121

#	RESPONSES
1	Six
2	at least 15 for one, ~10 for another (with only one year gap in the middle).
3	5
4	5
5	Six (6)
6	3
7	We have received the political contributions proposal for several years
8	Several proposals, including independent chair, have been submitted almost every year for more than a decade.
9	five
10	5
11	7+
12	8
13	10
14	Three years
15	9
16	5
17	4
18	10
19	Six as of 2020
20	3
21	5
22	5
23	6
24	We had a political contributions/lobbying proposal for 6 years, I think.
25	majority vote - 6 counting 2020 proxy season; not exactly consecutive - proponent submits different proposal after two consecutive years - then back to same
26	4
27	7
28	5

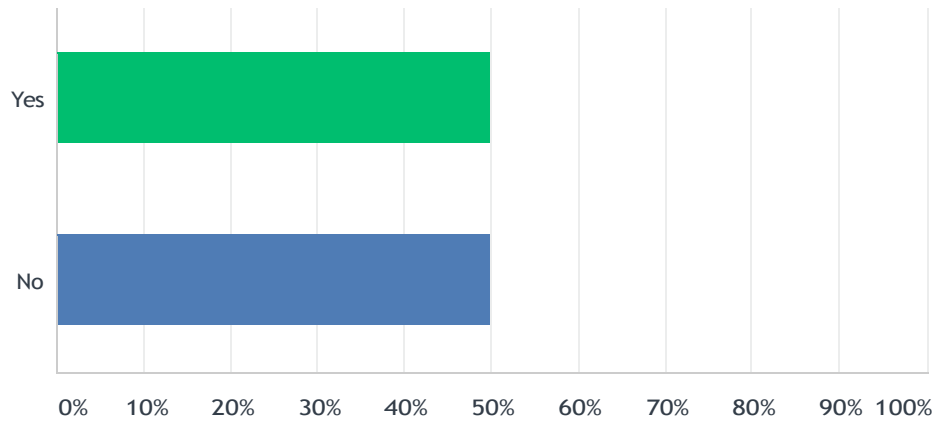
## Q8 What was the most recent voting outcome? (Please specify)

Answered: 28 Skipped: 121

#	RESPONSES
1	23%
2	5.10%
3	18%
4	24.90%
5	25%
6	35%
7	72.40%
8	46
9	21.6% in favor
10	24%. This is the only proposal we'll be able to exclude under proposal.
11	25-35% (ISS recommends vote in favor)
12	30% in favor
13	35% support
14	49% for
15	51% against
16	51% against
17	A proposal last year received 28%, after receiving 41% the year before (meaning it could have been excluded this year if the rule proposal were already in effect).
18	defeated
19	first year the submittal receives more than a majority of voted shares; but then subsequent year, outcome does not meet outstanding vote standard in governing docs
20	For
21	It was typically high 20s or low 30s. We stopped getting them several years ago.
22	Less than 10%
23	Less than 40%
24	Negative for approval
25	Not a great example under the circumstances - but we had one that lingered in the 25-35% range for 10+ years with ISS support. 2 years ago, GL changed its recommendation to "for" and the vote popped to 48%. We made some disclosure and it dropped back to 33% with only ISS support. The other proposal is the 10/15% special meeting proposal - it has been in the low 40s for years.
26	Passed
27	Political contributions proposal has consistently received about 1/3 of votes in favor.
28	The same proposal from the same shareholder was submitted from 2009-12. It never received more than 22% support.

### Q9 Has your company received a shareholder proposal submitted by a representative on behalf of a shareholder in the last three years?

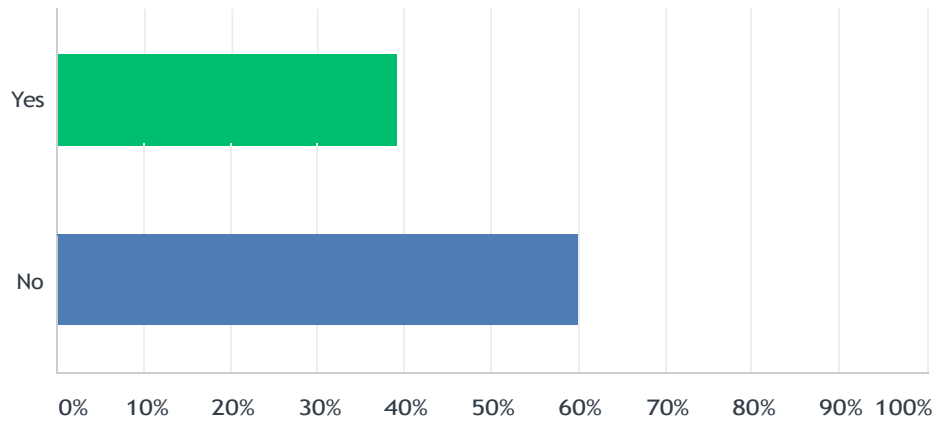
Answered: 115 Skipped: 34



ANSWER CHOICES	RESPONSES	
Yes	49.57%	57
No	50.43%	58
TOTAL		115

### Q10 Has your company received more than one shareholder proposal from the same person or representative in the last three years?

Answered: 115 Skipped: 34

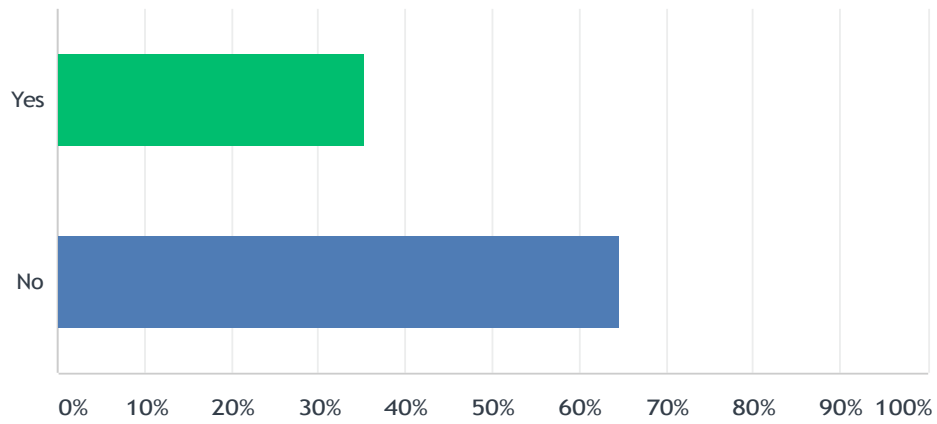


ANSWER CHOICES	RESPONSES	
Yes	39.13%	45
No	60.87%	70
TOTAL		115



### Q11 Has your company received a shareholder proposal with multiple co-filers/co-sponsors in the last three years?

Answered: 116 Skipped: 33



ANSWER CHOICES	RESPONSES	
Yes	35.34%	41
No	64.66%	75
TOTAL		116