UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
CORPORATION FINANCE

January 26, 2018

Cynthia H. Grimm
Texas Instruments Incorporated
cgrimm@ti.com

Re: Texas Instruments Incorporated
Incoming letter dated December 21, 2017

Dear Ms. Grimm:

This letter is in response to your correspondence dated December 21, 2017 concerning the shareholder proposal (the "Proposal") submitted to Texas Instruments Incorporated (the "Company") by Ann B. Alexander and OceanRock Investments Inc. for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. We also have received correspondence on behalf of Ann B. Alexander dated January 22, 2018. Copies of all of the correspondence on which this response is based will be made available on our website at http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

Matt S. McNair
Senior Special Counsel

Enclosure

cc: Natasha Lamb
Arjuna Capital
natasha@arjuna-capital.com

January 26, 2018

Response of the Office of Chief Counsel
<u>Division of Corporation Finance</u>

Re: Texas Instruments Incorporated
Incoming letter dated December 21, 2017

The Proposal requests that the Company prepare a report on its policies and goals to reduce the gender pay gap.

We are unable to concur in your view that the Company may exclude the Proposal under rule 14a-8(i)(10). Based on the information you have presented, it does not appear that the Company's public disclosures compare favorably with the guidelines of the Proposal. Accordingly, we do not believe that the Company may omit the Proposal from its proxy materials in reliance on rule 14a-8(i)(10).

Sincerely,

Evan S. Jacobson
Special Counsel

DIVISION OF CORPORATION FINANCE
INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the company in support of its intention to exclude the proposal from the company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes and rules administered by the Commission, including arguments as to whether or not activities proposed to be taken would violate the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversarial procedure.

It is important to note that the staff's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly, a discretionary determination not to recommend or take Commission enforcement action does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the company's management omit the proposal from the company's proxy materials.

January 22nd, 2018

VIA e-mail: shareholderproposals@sec.gov

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: Texas Instruments, Inc. December 21, 2017 Request to Exclude Shareholder Proposal of Arjuna Capital on behalf of Ann B. Alexander, and co-filer OceanRock Investments Inc.
Securities and Exchange Act of 1934—Rule 14a-8

Dear Sir/Madam:

This letter is submitted on behalf of Ann B. Alexander by Arjuna Capital, as her designated representative in this matter ("Proponent"), who is a beneficial owner of shares of common stock of Texas Instruments, Inc. (the "Company" or "Texas Instruments"). The Proponent and who has submitted a shareholder proposal (the "Proposal") to Texas Instruments. This letter responds to the no action request letter dated December 21, 2017 sent to the Office of Chief Counsel by the Company ("Company Letter"), in which Texas Instruments contends that the Proposal may be excluded from the Company's 2018 proxy statement under Rule 14a-8(i)(10).

We have reviewed the Proposal and the Company Letter, and based upon the forgoing, as well as upon a review of Rule 14a-8, it is our opinion that the Proposal must be included in Texas Instrument's 2018 proxy statement because the Proposal has not been substantially implemented.

The Proponents urge the Staff to deny the Company's no action request.

Pursuant to Staff Legal Bulletin 14D (November 7, 2008) we are filing our response via e-mail in lieu of paper copies and are providing a copy to Texas Instrument's Assistant General Counsel and Assistant Secretary Cynthia Grimm via email at cgrimm@ti.com; and Leslie Mba via email at lmba@ti.com.

The Proposal

The Resolved Clause of the Proposal states:

RESOLVED: Shareholders request Texas Instruments prepare a report, omitting proprietary information, above and beyond litigation strategy or legal compliance, and prepared at reasonable cost, on the Company's policies and goals to reduce the gender pay gap.
The gender pay gap is defined as the difference between male and female median earnings expressed as a percentage of male earnings according to the Organization for Economic Cooperation and Development.

The Supporting Statement states:

SUPPORTING STATEMENT: A report adequate for investors to assess Texas Instrument's strategy and performance would include the percentage pay gap between male and female employees across race and ethnicity, including base, bonus and equity compensation, policies to address that gap, methodology used, and quantitative reduction targets.

The Proposal, the full text of which is available in Exhibit A, discusses both the negative societal and economic impact of the gender pay gap, noting a persistant gap in the tech sector and semiconductor industry, and a lack of adequate female leadership at Texas Instruments.

Background

This is the third year that gender pay gap proposals have been filed with companies in the technology sector. In 2016, peer semiconductor company Intel was the first to respond proactively to shareholder concerns by reporting its quantitative gender pay gap for base and incentive compensation, methodology, and a goal of 100% pay equity. Many tech peers have since followed suit in response to shareholder concerns, including Apple, Expedia, Adobe, Amazon, Microsoft, eBay, and Alphabet/Google, all of whom have provided quantitative disclosures. In 2016, the gender pay equity proposal at eBay garnered 51% of votes cast in favor of the proposal. Proposals voted on at companies who have provided lip service regarding the gender pay gap, similar to that seen at Texas Instruments, have nevertheless received the support of shareholders, as seen at Facebook and Wells Fargo for example. Shareholders have engaged with 12 companies who have provided requested disclosures, including a percentage pay gap. Citibank is the most recent company to report its quantitative gender pay gap, methodology, and commitment to pay increases for women and minorities on January 15, 2018.

Analysis

The Proposal is Not Excludable Under Rule 14a-8(i)(10)

In order for a Company to meet its burden of proving substantial implementation pursuant to Rule 14a-8(i)(10), it must show that its activities meet the guidelines and essential purpose of the Proposal. The Staff has noted that a determination that a company has substantially implemented a proposal depends upon whether a company's particular policies, practices, and procedures compare favorably with the guidelines of the proposal. *Texaco, Inc.* (Mar. 28, 1991). Substantial implementation under Rule 14a-8(i)(10) requires a company's actions to have satisfactorily addressed *both* the proposal's guidelines and its essential objective. See, e.g., *Exelon Corp.* (Feb. 26, 2010). Thus, when a company can demonstrate that it has already taken actions that meet most of the guidelines of a proposal and meet the proposal's essential purpose, the Staff has concurred that the proposal has been "substantially implemented." In the current instance, the Company has substantially fulfilled *neither* the guidelines nor the essential purpose of the Proposal, and therefore cannot be excluded.

A. The Company has failed to substantially implement the Proposal, and the Proposal may not be excluded on the grounds of Rule 14a-8(i)(10).

I. The Proposal has not been substantially implemented because the Company's existing disclosures fail to meet the guidelines of the Proposal and Supporting Statement; they fail to inform investors of the Company's current percentage pay gap, provide quantitative reduction targets, explain how the Company engages in review or analysis of this issue, or how management actually addresses disparities that are discovered.

When comparison is made between the Proposal's clear requests for substantive disclosures and the minimal disclosures presented by the Company, it is apparent that the Company has not substantially implemented the Proposal. The brief content on the Company's two webpages fails to inform investors of the Company's current percentage pay gap, provide quantitative reduction targets, explain how the Company engages in review or analysis of this issue, or how management actually addresses disparities that are discovered.

This Proposal requests that Texas Instruments prepare a report on the Company's policies and goals, above and beyond litigation strategy or legal compliance, to reduce the gender pay gap between employees of the Company. The Proposal defines the "gender pay gap" as "the difference between male and female median earnings expressed as a percentage of male earnings". As explained in the Supporting Statement, in the Proponents' view, a report adequate for investors to assess the Company's strategy and performance on this matter would include **disclosure of the current percentage pay gap** between male and female employees across race and ethnicity, including base, bonus and equity compensation, **disclosure of the policies used to address that gap**, the **methodology employed** to determine the gap, and **quantitative reduction targets**.

The Company seeks to characterize the "essential objective" of the Proposal as simply "to report on its policies and goals to reduce the gender pay gap." Based on this rationale, the Company argues that it has substantially implemented the Proposal's essential objective by stating a general commitment to pay equity on its website in two locations, its one-page "Pay Equity Report" and in one paragraph of its Corporate Responsibility Report. The Company asserts that the publication of these few paragraphs online "substantially implements" the reporting requested by the Proposal.

The Proponent disagrees. In order to determine "substantial implementation", one must ask whether the core concerns raised by a resolution have been *reasonably* and *substantively* addressed by the Company. In the present case, the Company's existing publications merely provide promises that the Company is "committed to paying all employees equitably", has "checks and balances" in place, and uses "multiple layers of oversight" regarding this matter. The Company claims that "these policies have led to the Company's development of robust procedures designed for verifying that women and men are equitably compensated." Contrary to requests of the Proposal, there is no public disclosure of what these "robust" policies and procedures entail, nor of the current metrics or targets for improvement.

The essential purpose of the proposal is accountability of the company for addressing the gender pay gap, through measurable reporting and disclosure of policies. But instead of meeting this

essential purpose, the Company has only provided scant promises and assurances.

In fact, none of the detail requested by the Proposal is provided. Without the substantive disclosures sought from the Company on how it analyses and addresses disparities in terms of policies and practice, and measureable goal-setting, the Company's existing publications may be mere lip-service to the idea of pay equity. They fail to provide investors with the information needed to assess the Company's strategy and performance on this matter. As such, Proponents assert that the Proposal has not been substantially implemented, and should not be excluded on the basis of Rule 14a-8(i)(10).

i. **The Proposal Clearly Delineates the Desired Content of the Requested Report**

The Company seeks to argue that the Proposal "merely suggests" the contents of the report described, and that because the Proposal only "suggests" what appropriate content might be, according to the Company, the Company retains discretion as to how it might disclose the requested information. It is unclear why the Company seeks to frame the Proposal's clear delineation of appropriate content as a mere suggestion, as the text of the Proposal clearly states: "A report adequate for investors to assess Texas Instrument's strategy and performance *would include* . . ." (emphasis added).

We agree with the Company's statements that some companies' website disclosures may, in general, suffice to meet requests for disclosure. However, this matter is irrelevant, as the Company's existing website disclosures are drastically insufficient to meet the objectives of the present Proposal.

ii. **Staff precedent demonstrates that material in the supporting statement is relevant to determining the essential purpose and guidelines of the Proposal.**

The Staff has declined to find substantial implementation in similar cases, where companies failed to respond to the specific requests and language of the proposal and supporting statement, and existing disclosures lacked the data requested. One such example is *Lowe's Companies, Inc.* (March 21, 2006), where shareholders requested that the Company report its progress toward implementing the company's wood policy by issuing an annual report to shareholders. The Proposal's Supporting Statement specifically sought "a company-wide review of company practices and indicators related to measuring Lowe's long-term goal of ensuring that all wood products sold in its stores originate from well-managed non-endangered forests . . . [including] quantity of FSC-certified wood sales, sales of wood products from endangered forests, and sales of recycled, engineered and alternative products." The Company argued that the Proposal had been substantially implemented because it issued an annual Social Responsibility Report addressing the *category* of information mentioned in the Proposal. Though the Company's existing disclosures in fact failed to respond to the specific requests and language of the supporting statement regarding this company-wide review, and lacked the data requested, the Company believed that its Social Responsibility Report nonetheless substantially implemented the Proposal "regardless of whether it referred to language contained in the Proposal's supporting statement." The Staff was unable to

concur with the Company's view, and did not find substantial implementation.

Similarly, in *Brocade Communications Systems, Inc*. (February 23, 2015), proponents requested that the Company adopt a new incentive pay recoupment policy. The Proposal detailed several specific elements that proponents desired to see in the policy, such as recoupment in the event of misconduct and failure at risk management, and certain types of disclosure regarding recoupment decisions. The Company argued that it had substantially implemented the proposal because it already had in place a clawback policy which, in the Company's view, achieved the same objective as the Proposal "on terms more comprehensive and definitive in their scope and application." The Company's letter compared elements of its existing policy with the details of the policy requested in the Proposal, to demonstrate this substantial implementation. The Staff did not agree with the Company, and declined to find substantial implementation in this case.

The Staff has also declined to find substantial implementation in cases where companies did in fact disclose abundant information without fulfilling the guidelines of the proposals. *See*, for example, *Dominion Resources*, (avail. February 5, 2013); a proposal sought a report on the risks to the company from climate change, and despite providing the company's entire 2012 Carbon Disclosure Project report discussing this information, the Staff still denied the company's no-action request under Rule 14a-8(i)(10). *See also EOG Resources, Inc.* (avail. January 30, 2015). There, the proposal sought a review of the company's efforts to reduce methane emissions. Existing disclosures provided an abundance of evidence showing that is was indeed reducing its methane emissions. Despite this, the proponent insisted that the proposal was not implemented, as the company had not conducted the *review* requested (even though the company was *actually reducing* its emissions as the proponent wanted). The Staff agreed with the proponent and denied the company's no-action request under Rule 14a-8(i)(10).

Staff precedent indicates, time and again, that responsiveness to the details of a proposal is central to a finding of substantial implementation. For instance, in *Chesapeake Company* (April 13, 2010), Chesapeake asserted that its web publications constituted "substantial implementation" of a proposal on natural gas extraction. However, the proponents argued that the proposal could not be substantially implemented if the company failed to address most of the core issues it raised in the proposal. In particular, the Proposal's Supporting Statement detailed policies the proponents believed should be explored by the report, such as using less toxic fracturing fluids, recycling or reusing waste fluids, and other structural or procedural strategies to reduce fracturing hazards. The SEC Staff concluded that despite a volume of writing by the company on hydraulic fracturing on its website, the matter was not substantially implemented. The same failing exists in the present circumstance -- there is some disclosure on the general topic of the proposal, but not enough to meet the guidelines of the Proposal.

Similarly, in *Dominion Resources, Inc.* (February 28, 2014), the Company sought to omit a shareholder proposal from its proxy materials which mandated the creation of a report on the Company's lobbying contributions and expenditures, claiming that its web publications substantially implemented the proposal. Proponents asserted that though the Company did provide some information on its policies, procedures and decision-making process in this regard, these disclosures did not fulfill the guidelines or essential purpose of the Proposal, because the Proposal's particular

concerns of the Company's participation in trade associations and direct state lobbying were not addressed.[1] *See also, Southwestern Energy* (March 15, 2011) (political contributions disclosure proposal that sought accounting of direct and indirect expenditures was not substantially implemented by disclosure of direct expenditures only).

Conclusion

In summation, for the foregoing reasons, the Company has failed to substantially implement the Proposal and the Proposal may not be excluded on the grounds of Rule 14a-8(i)(10).

We respectfully request the Staff to inform the Company that Rule 14a-8 requires a denial of the Company's no-action request. As demonstrated above, the Proposal is not excludable under Rule 14a-8. In the event that the Staff should decide to concur with the Company and issue a no-action letter, we respectfully request the opportunity to speak with the Staff in advance.

Please contact me at (978) 704-0114 or natasha@arjuna-capital.com with any questions in connection with this matter, or if the Staff wishes any further information. Please send a copy of the response to Sanford Lewis at sanfordlewis@strategiccounsel.net.

Sincerely,

Natasha Lamb
Managing Partner
Arjuna Capital

cc: Assistant General Counsel and Assistant Secretary Cynthia Grimm, Texas Instruments, cgrimm@ti.com; and Leslie Mba, lmba@ti.com

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Appendix A:

Gender Pay Equity

Whereas: The median income for women working full time in the United States is reported to be 80 percent of that of their male counterparts. This 10,470 dollar disparity can add up to nearly half a million dollars over a career. The gap for African America and Latina women is 60 percent and 55 percent respectively. At the current rate, women will not reach pay parity until 2059. The World Economic Forum estimates the gender pay gap costs the economy 1.2 trillion dollars annually.

Glassdoor finds an unexplained 5.9 percent gender pay gap in the technology industry after statistical controls, noting "many tech jobs top the list for largest gender pay gaps." Robeco Sam finds a 9 percent pay gap for managers at semiconductor companies and a lower retention rate for female managers than male managers.

In the tech industry, McKinsey & Co. reports only 36 percent of women hold entry level positions and female representation declines as job title advances, with only 17 percent in C suite positions.

At Texas Instruments, 37.5 percent of global employees are women, and women account for only 28.5 percent of our firm's executives.

Mercer finds actively managing pay equity "is associated with higher current female representation at the professional through executive levels and a faster trajectory to improved representation."

Research from organizations including Morgan Stanley, McKinsey, and Robeco Sam suggests more gender diverse leadership leads to better performance across metrics including stock price and return on equity. McKinsey states, "the business case for the advancement and promotion of women is compelling." Best practices to address this opportunity include "tracking and eliminating gender pay gaps." McKinsey reports 63 percent of companies report tracking salary gaps.

Regulatory risk exists as the Paycheck Fairness Act pends before Congress. California, Massachusetts, New York, and Maryland have passed some of the strongest equal pay legislation to date.

The *Wall Street Journal* reports, "Research attributes salary inequalities to several factors—from outright bias to women failing to ask for raises." A Harvard University economist concluded the gap stems from women making less in the same jobs. As much as 40 percent of the wage gap may be attributed to discrimination.

Peer companies including Intel, Apple, Expedia, Adobe, Amazon, Microsoft, eBay, and Google have publically reported and committed to gender pay equity.

Resolved: Shareholders request Texas Instruments prepare a report, omitting proprietary information, above and beyond litigation strategy or legal compliance, and prepared at reasonable cost, on the Company's policies and goals to reduce the gender pay gap.

The gender pay gap is defined as the difference between male and female median earnings expressed as a percentage of male earnings according to the Organization for Economic Cooperation and Development.

Supporting Statement: A report adequate for investors to assess Texas Instrument's strategy and performance would include the percentage pay gap between male and female employees across race and ethnicity, including base, bonus and equity compensation, policies to address that gap, methodology used, and quantitative reduction targets.

Texas Instruments Incorporated
12500 TI Blvd, MS 8658
Dallas, Texas 75243

December 21, 2017

VIA EMAIL

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549
via email: shareholderproposals@sec.gov

Re: Texas Instruments Incorporated – Omission of Stockholder Proposal Pursuant to Rule 14a-8

Ladies and Gentlemen:

This letter is submitted by Texas Instruments Incorporated, a Delaware corporation (the "**Company**"), in accordance with Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), to notify the Securities and Exchange Commission (the "**Commission**") of the Company's intention to exclude the stockholder proposal dated November 2, 2017 (the "**Proposal**") submitted by Arjuna Capital, with OceanRock Investments Inc. as co-filer (the "**Proponent**"), for inclusion in the proxy materials the Company intends to distribute in connection with its 2018 Annual Meeting of Stockholders (the "**2018 Proxy Materials**"). The Proposal is attached hereto as Exhibit A.

The Company hereby requests confirmation that the Staff of the Division of Corporation Finance (the "**Staff**") will not recommend any enforcement action if, in reliance on Rule 14a-8, the Company omits the Proposal from the 2018 Proxy Materials. In accordance with Rule 14a-8(j), this letter is being filed with the Commission not less than 80 days before the Company plans to file its definitive proxy statement.

Pursuant to Staff Legal Bulletin No. 14D (CF), Shareholder Proposals (November 7, 2008), question C, the Company has submitted this letter and any related correspondence via email to shareholderproposals@sec.gov. Also, in accordance with Rule 14a-8(j), a copy of this submission is being sent simultaneously to the Proponent as notification of the Company's intention to omit the Proposal from the 2018 Proxy Materials. This letter constitutes the Company's statement of the reasons it deems the omission of the Proposal to be proper.

THE PROPOSAL

The Proposal asks that the stockholders of the Company adopt the following resolution:

> RESOLVED: Shareholders request Texas Instruments prepare a report, omitting proprietary information, above and beyond litigation strategy or legal compliance, and prepared at a reasonable cost, on the Company's policies and goals to reduce the gender pay gap.
>
> The gender pay gap is defined as the difference between male and female median earnings expressed as a percentage of male earnings according to the Organization for Economic Cooperation and Development.

The full text of the Proposal, as well as related correspondence, is attached to this letter as Exhibit A.

GROUNDS FOR EXCLUSION

The Company believes that the Proposal may be properly omitted from the 2018 Proxy Materials pursuant to Rule 14a-8(i)(10) because the Company has already substantially implemented the Proposal.

Rule 14a-8(i)(10) permits a company to exclude a stockholder proposal if the company has already substantially implemented the proposal. The Commission has stated that "substantial" implementation under the rule does not require implementation in full or exactly as presented by the proponent. See SEC Release No. 34-40018 (May 21, 1998, n. 30). Under this standard, when a company can demonstrate that it already has taken actions to address the underlying concerns and essential objectives, the Staff has agreed that the proposal has been substantially implemented, noting that "a determination that the company has substantially implemented the proposal depends upon whether [the company's] particular policies, practices and procedures compare favorably with the guidelines of the proposal." *Texaco, Inc.* (March 28, 1991).

The Company has Implemented the Proposal's Essential Objective

The Staff has provided no-action relief under Rule 14a-8(i)(10) when a company has substantially implemented and therefore satisfied a proposal's "essential objective," even if the company did not take the exact action requested by the proponent, did not implement the proposal in every detail, or exercised discretion in determining how to implement the proposal. *See Wal-Mart Stores, Inc.* (March 25, 2015) (finding that the company had substantially implemented a proposal requesting an employee engagement metric for executive compensation where a "diversity and inclusion metric related to employee engagement" was already included in the company's Management Incentive Plan); *The Cato Corporation* (February 28, 2017) (finding that the company had substantially implemented a proposal to amend its written equal employment opportunity policy to explicitly prohibit discrimination based on sexual orientation and gender identity because its existing employment policy already prohibited discrimination based on "sex and any other legally-protected classification"); and *The Boeing Company*

(February 3, 2016) (finding that the company had substantially implemented a report of its standards for choosing recipients of charitable contributions, despite not listing the contribution recipients and the contribution amounts).

The core of the Proposal, or its "essential objective," asks the Company to prepare a report on its policies and goals to reduce the gender pay gap. The Company has already disclosed its policies and goals to reduce the gender pay gap, and has therefore substantially implemented the "essential objective" of the Proposal.

The Company's Report on Pay Equity (the "Pay Equity Report"), posted on its website (http://www.ti.com/corp/docs/investor_relations/downloads/report_on_pay_equity.pdf), discloses, among other things, the following:

- We are committed to paying all employees equitably.
- We have checks and balances built into our annual compensation review process, including an in-depth analysis of our compensation system, which are designed to ensure that unwarranted disparities in pay do not exist.
- These checks and balances are designed to ensure that we pay women and men, and minorities and non-minorities, equitably.
- If disparities are found at any point during the review process, we explore whether legitimate reasons, such as performance or experience, support the difference; and if unjustified, we make adjustments.

Additionally, the Company's Corporate Responsibility Report (the "CSR Report"), posted on its website (http://www.ti.com/corp/docs/csr/pay_and_benefits.html), discloses the following:

> Paying our employees fairly is at the core of our commitment to diversity. We have formal checks and balances in our compensation system designed to ensure we pay employees equitably. Our system has multiple layers of oversight, including reviews of compensation recommendations by at least one higher level business manager and Human Resources. Additionally, we conduct an annual, in-depth analysis to determine whether unwarranted disparities exist.

The foregoing website materials are attached as Exhibit B.

As requested by the Proposal, the Company has publicly described its goal to pay employees equitably, and its policies and processes that are designed to ensure employees are paid equitably. These policies have led to the Company's development of robust procedures designed for verifying that women and men are equitably compensated, which addresses the

underlying concern of the Proposal. The Company's public disclosures demonstrate its commitment to achieving the important objective of pay equity.

The Proposal's supporting statement suggests that a report should include, among other things, disclosure of a percentage pay gap. The Staff has recognized that when a proposal merely suggests that a certain issue be addressed, the proposal may be excluded where the company has addressed the requested, but not suggested, matters. For example, in *ConAgra Foods, Inc.* (July 3, 2006), the Staff concurred in the exclusion under Rule 14a-8(i)(10) of a proposal requesting that the board issue a sustainability report where the supporting statement recommended that the report follow certain guidelines that the company did not address in its existing policies and procedures. *See also Wal-Mart Stores, Inc.* (February 21, 2017) (allowing exclusion of a proposal requesting that the company disclose food waste goals where the supporting statement recommended that the company's goals be consistent with a specific external metric that was not the same as the company's disclosed goals); *Wal-Mart Stores, Inc. (AFL-CIO Reserve Fund)* (March 30, 2010) (allowing exclusion of a proposal requesting that the company adopt global warming principles "based on" principles listed in the supporting statement even though the company did not adopt the listed principles wholesale); and *The Boeing Company* (February 3, 2016) (finding that the company had substantially implemented a report of its standards for choosing recipients of charitable contributions, despite not listing the contribution recipients and the contribution amounts).

Because the Proposal merely suggests the specific contents of the report, it leaves to the Company's discretion how the report should be implemented in its particulars. The Company believes its approach to measuring and addressing the gender pay gap is the most effective for eradicating unexplained gaps within its own employee population. The Company has disclosed its approach, including its goals and policies to reduce the gender pay gap, in the Pay Equity Report and the CSR Report, and has therefore substantially implemented the Proposal.

<u>The Company's Website Disclosures Suffice</u>

In evaluating whether a company has substantially implemented a proposal that requests a report, the Staff has taken into account a company's existing disclosure, even if not issued in the form of a report in response to the proposal. *See Wal-Mart Stores, Inc.* (February 21, 2017) (allowing the exclusion of a proposal requesting that Walmart report on goals for reducing U.S. food waste where Walmart already detailed such goals and plans on its website's global responsibility report). Further, the Staff has concurred in the exclusion of stockholder proposals seeking a report when the contents of the requested report were disclosed in multiple locations on the company's corporate website. *See Mondelez International, Inc.* (March, 7, 2014) and *The Coca-Cola Company* (January 25, 2012) (in each case, finding the proposal requesting a report on public policy issues excludable as substantially implemented because the company had disclosed the information on its website).

As such, the Company's actions and initiatives compare favorably with the stockholder proposal's essential objective of having the Company prepare a report on its policies and goals to reduce the gender pay gap. Accordingly, the Company believes that it has substantially implemented the Proposal, and it is therefore excludable under Rule 14a-8(i)(10).

CONCLUSION

The Company requests confirmation that the Staff will not recommend any enforcement action if, in reliance on the foregoing, the Company omits the Proposal from its 2018 Proxy Materials. If you should have any questions or need additional information, please contact me at (214) 479-1201 or Leslie Mba at (214) 479-1179.

Respectfully yours,

Cynthia H. Grimm
Vice President, Assistant Secretary
and Assistant General Counsel

Attachments

Cc: Natasha Lamb, Arjuna Capital
Delaney Greig, Shareholder Association for Research and Education
(on behalf of OceanRock Investments Inc.)

EXHIBIT A

The Proposal and Related Correspondence

November 2, 2017

VIA OVERNIGHT MAIL

Texas Instruments Incorporated
Attention: Secretary, Cynthia Hoff Trochu
12500 TI Boulevard, MS 8658
Dallas, TX 75243

To whom it may concern:

Arjuna Capital is an investment firm focused on sustainable and impact investing.

I am hereby authorized to notify you of our intention to lead file the enclosed shareholder resolution with Texas Instruments Incorporated on behalf of our client Ann B. Alexander. Arjuna Capital submits this shareholder proposal for inclusion in the 2018 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 (17 C.F.R. § 240.14a-8). Per Rule 14a-8, Ann B. Alexander holds more than $2,000 of TXN common stock, acquired more than one year prior to today's date and held continuously for that time. Our client will remain invested in this position continuously through the date of the 2018 annual meeting.

Enclosed please find verification of the position and a letter from Ann B. Alexander authorizing Arjuna Capital to undertake this filing on her behalf. We will send a representative to the stockholders' meeting to move the shareholder proposal as required by the SEC rules.

We would welcome discussion with Texas Instruments about the contents of our proposal.

Please direct any written communications to me at the address below or to *natasha@arjuna-capital.com*. Please also confirm receipt of this letter via email.

Sincerely,

Natasha Lamb
Managing Partner
Arjuna Capital
49 Union Street
Manchester, MA 01944

Enclosures

Gender Pay Equity

Whereas:

The median income for women working full time in the United States is reported to be 80 percent of that of their male counterparts. This 10,470 dollar disparity can add up to nearly half a million dollars over a career. The gap for African America and Latina women is 60 percent and 55 percent respectively. At the current rate, women will not reach pay parity until 2059. The World Economic Forum estimates the gender pay gap costs the economy 1.2 trillion dollars annually.

Glassdoor finds an unexplained 5.9 percent gender pay gap in the technology industry after statistical controls, noting "many tech jobs top the list for largest gender pay gaps." Robeco Sam finds a 9 percent pay gap for managers at semiconductor companies and a lower retention rate for female managers than male managers.

In the tech industry, McKinsey & Co. reports only 36 percent of women hold entry level positions and female representation declines as job title advances, with only 17 percent in C suite positions.

At Texas Instruments, 37.5 percent of global employees are women, and women account for only 28.5 percent of our firm's executives.

Mercer finds actively managing pay equity "is associated with higher current female representation at the professional through executive levels and a faster trajectory to improved representation."

Research from organizations including Morgan Stanley, McKinsey, and Robeco Sam suggests more gender diverse leadership leads to better performance across metrics including stock price and return on equity. McKinsey states, "the business case for the advancement and promotion of women is compelling." Best practices to address this opportunity include "tracking and eliminating gender pay gaps." McKinsey reports 63 percent of companies report tracking salary gaps.

Regulatory risk exists as the Paycheck Fairness Act pends before Congress. California, Massachusetts, New York, and Maryland have passed some of the strongest equal pay legislation to date.

The *Wall Street Journal* reports, "Research attributes salary inequalities to several factors—from outright bias to women failing to ask for raises." A Harvard University economist concluded the gap stems from women making less in the same jobs. As much as 40 percent of the wage gap may be attributed to discrimination.

Peer companies including Intel, Apple, Expedia, Adobe, Amazon, Microsoft, eBay, and Google have publically reported and committed to gender pay equity.

Resolved: Shareholders request Texas Instruments prepare a report, omitting proprietary information, above and beyond litigation strategy or legal compliance, and prepared at reasonable cost, on the Company's policies and goals to reduce the gender pay gap.

The gender pay gap is defined as the difference between male and female median earnings expressed as a percentage of male earnings according to the Organization for Economic Cooperation and Development.

Supporting Statement: A report adequate for investors to assess Texas Instrument's strategy and performance would include the percentage pay gap between male and female employees across race and ethnicity, including base, bonus and equity compensation, policies to address that gap, methodology used, and quantitative reduction targets.

November 1, 2017

Natasha Lamb
Managing Partner
Arjuna Capital
353 W. Main Street
Durham, NC 27701

Dear Ms. Lamb,

I hereby authorize Arjuna Capital to file a shareholder proposal on my behalf at Texas Instruments Incorporated (TXN) regarding gender pay equity.

I am the beneficial owner of more than $2,000 worth of common stock in Texas Instruments Incorporated (TXN) that I have held continuously for more than one year. I intend to hold the aforementioned shares of stock through the date of the company's annual meeting in 2018.

I specifically give Arjuna Capital full authority to deal, on my behalf, with any and all aspects of the aforementioned shareholder proposal. I understand that my name may appear on the corporation's proxy statement as the filer of the aforementioned proposal.

Sincerely,

Ann B Alexander

c/o Arjuna Capital
353 W. Main Street
Durham, NC 27701

charles SCHWAB

November 2, 2017 Account: **** ***

Share Holder Confirmaiton

To WHOM IT MAY CONCERN:

RE: ANN B ALEXANDER: ***

This letter is to confirm that Charles Schwab & Co. Inc. as the custodian for the beneficial owner of the above referenced account *** , which Arjuna Capital manages and which holds 125 shares of common stock in Texas Instruments Incorporated (TXN)*

As of November 2, 2017 ANN B ALEXANDER held, and has held continuously for at least one year, 125 shares of (TXN)* stock.

This letter serves as confirmation that the account holder listed above is the beneficial owner of the above referenced stock.

Sincerely,

Jonnalee Owens
Relationship Specialist/Advisor Services

Job #86838037

Independent investment advisors are not owned by, affiliated with, or supervised by Charles Schwab & Co., Inc. ("Schwab").

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*** FISMA & OMB Memorandum M-07-16

OCEANROCK
INVESTMENTS INC.

November 3, 2017

Attn: Cynthia Trochu, Secretary and General Counsel
Texas Instruments Incorporated,
12500 TI Boulevard, MS 8658,
Dallas, TX 75243

Dear Cynthia Trochu;

Re: Shareholder Proposal for Circulation at 2018 Annual General Meeting (AGM)

On behalf of OceanRock Investments Inc [Meritas U.S. Equity Fund] ("OceanRock"), I am writing to give notice that pursuant to the 2017 Proxy Statement of Texas Instruments Incorporated (the "Company") and Rule 14a-8 under the Securities Exchange Act of 1934, OceanRock intends to present the attached proposal (the "Proposal") at the 2018 annual meeting of shareholders (the "Annual Meeting"). OceanRock is co-filing this Proposal with lead filer, Arjuna Capital.

OceanRock is the beneficial owner of 27,097 shares of voting common stock (the "Shares") of the Company, and has held the Shares for over one year. In additon, OceanRock intends to continue its ownership of the Shares through the date on which the Annual Meeting is held.

The Proposal is attached. I represent that OceanRock or its agent intends to appear in person or by proxy at the Annual Meeting to present the Proposal. I declare that OceanRock has no "material interest" other than that believed to be shared by stockholders of the Company generally.

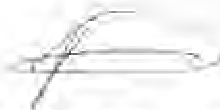
I hereby request that the proposal and the enclosed supporting statement be included in, or attached to, the management proxy circular to be issued in respect of the 2018 Annual Meeting for consideration by shareholders. I further request that the proposal be identified on the Annual Meeting's form of proxy as a matter to be voted for or against by the beneficial and registered shareholders of the Company.

I authorise Arjuna Capital to withdraw on our behalf if an agreement is reached.

Please direct all questions and correspondence regarding the Proposal to Delaney Greig, Engagement Analyst, at the Shareholder Association for Research and Education, at:

SHARE - Shareholder Association for Research & Education
Suite 220, 401 Richmond Street W, Toronto, ON, M5V 3A8
tel: 416-306-6463   e-mail: dgreig@share.ca

Sincerely,



Fredrick M. Pinto, CFA
Chief Executive Officer
OceanRock Investments Inc

Gender Pay Equity

Whereas:

The median income for women working full time in the United States is reported to be 80 percent of that of their male counterparts. This 10,470 dollar disparity can add up to nearly half a million dollars over a career. The gap for African America and Latina women is 60 percent and 55 percent respectively. At the current rate, women will not reach pay parity until 2059. The World Economic Forum estimates the gender pay gap costs the economy 1.2 trillion dollars annually.

Glassdoor finds an unexplained 5.9 percent gender pay gap in the technology industry after statistical controls, noting "many tech jobs top the list for largest gender pay gaps." Robeco Sam finds a 9 percent pay gap for managers at semiconductor companies and a lower retention rate for female managers than male managers.

In the tech industry, McKinsey & Co. reports only 36 percent of women hold entry level positions and female representation declines as job title advances, with only 17 percent in C suite positions.

At Texas Instruments, 37.5 percent of global employees are women, and women account for only 28.5 percent of our firm's executives.

Mercer finds actively managing pay equity "is associated with higher current female representation at the professional through executive levels and a faster trajectory to improved representation."

Research from organizations including Morgan Stanley, McKinsey, and Robeco Sam suggests more gender diverse leadership leads to better performance across metrics including stock price and return on equity. McKinsey states, "the business case for the advancement and promotion of women is compelling." Best practices to address this opportunity include "tracking and eliminating gender pay gaps." McKinsey reports 63 percent of companies report tracking salary gaps.

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Supporting Statement: A report adequate for investors to assess Texas Instrument's strategy and performance would include the percentage pay gap between male and female employees across race and ethnicity, including base, bonus and equity compensation, policies to address that gap, methodology used, and quantitative reduction targets.

Texas Instruments Incorporated

Cynthia H. Grimm
P.O. Box 655474, MS 3999
Dallas, TX 75265
Direct: 214-479-1201
Fax: 214-479-1280
Email: cgrimm@ti.com

November 6, 2017

VIA FEDEX

Delaney Greig
Engagement Analyst
Shareholder Association for Research and Education (SHARE)
Suite 220, 401 Richmond Street W
Toronto, ON, M5V 3A8
dgreig@share.ca
416-306-6463

Dear Mr. Greig:

I am writing on behalf of Texas Instruments Incorporated (the "Company"), which received on November 3, 2017, the stockholder proposal (the "Proposal") you submitted on behalf of OceanRock Investments Inc. (the "Proponent") for consideration at the Company's 2018 annual meeting of stockholders.

The Proposal contains a deficiency that Securities and Exchange Commission ("SEC") regulations require us to bring to your attention. Rule 14a-8(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), provides that each stockholder submitting a proposal must submit sufficient proof of its continuous ownership of at least $2,000 in market value, or 1% of a company's securities entitled to vote on the proposal for at least one year as of the date the stockholder proposal was submitted to the Company. SEC guidance identifies the date that the proposal was submitted as the date that the proposal was postmarked or transmitted electronically. The Proposal was submitted via email on November 3, 2017. The Proponent's name does not appear in the Company's records as a shareholder, and as a result, the Company cannot independently verify the Proponent's eligibility to submit the Proposal. As such, the Proponent must provide proof to verify the Proponent's beneficial ownership for the entire one-year period preceding and including the date of submission.

To remedy this defect, you must obtain a proof of ownership letter for the Proponent verifying its continuous ownership of the requisite amount of securities for the one-year period preceding and including November 3, 2017. As explained in Rule 14a-8(b), sufficient proof must be in the form of:

(1) a written statement from the "record" holder of the Proponent's shares (usually a broker or a bank) verifying that, as of November 3, 2017, the Proponent

continuously held the requisite number of shares of Company stock for at least one year, or

(2) if the Proponent has filed with the SEC a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5, or amendments to those documents or updated forms, reflecting its ownership of the requisite number of shares of Company stock as of or before the date on which the one-year eligibility period begins, a copy of the schedule and/or form, and any subsequent amendments reporting a change in ownership level and a written statement from the Proponent that it continuously held the requisite number of shares of Company stock for the one-year period as of the date of the statement.

If you intend to demonstrate the Proponent's ownership by submitting a written statement from the "record" holder of their shares as set forth in (1) above, please note that most large U.S. brokers and banks deposit their customers' securities with, and hold those securities through, the Depository Trust Company ("DTC"), a registered clearing agency that acts as a securities depository (DTC is also known through the account name Cede & Co.). Under SEC Staff Legal Bulletins No. 14F and No. 14G, only DTC participants and their affiliates are viewed as record holders of securities that are deposited at DTC. You can confirm whether the Proponent's broker or bank is a DTC participant by asking the broker or bank or by checking DTC's participant list, which is available at http://www.dtcc.com/client-center/dtc-directories. In these situations, stockholders need to obtain proof of ownership from the DTC participant or the affiliate of a DTC participant through which the securities are held, as follows:

(1) If a Proponent's broker or bank is a DTC participant or an affiliate of a DTC participant, then you need to submit a written statement from the broker or bank verifying that, as of November 3, 2017, the Proponent continuously held the requisite number of shares of Company stock for at least one year.

(2) If a Proponent's broker or bank is not a DTC participant or an affiliate of a DTC participant, then you need to submit proof of ownership from the DTC participant or affiliate through which the shares are held verifying that, as of November 3, 2017, the Proponent continuously held the requisite number of shares of Company stock for at least one year. You should be able to find out the identity of the DTC participant or affiliate by asking the Proponent's broker or bank. If a Proponent's broker is an introducing broker, you may also be able to learn the identity and telephone number of the DTC participant or affiliate through the Proponent's account statements, because the clearing broker identified on the account statements will generally be a DTC participant. If the DTC participant or affiliate that holds a Proponent's shares is not able to confirm the Proponent's individual holdings but is able to confirm the holdings of his broker or bank, then you could satisfy the proof of ownership requirements by obtaining and submitting two proof of ownership statements verifying that, as of November 3, 2017, the requisite number of shares of Company stock were continuously held for at least one year — one statement from the Proponent's broker or bank confirming its ownership, and the other statement from the DTC participant or affiliate confirming the broker or bank's ownership.

The SEC's rules require that your response to this letter be postmarked or transmitted electronically no later than 14 calendar days from the date you receive this letter. Please address any response to me at P.O. Box 655474, MS 3999, Dallas, Texas 75265.

For your reference, I enclose a copy of Rule 14a-8, Staff Legal Bulletin No. 14F and Staff Legal Bulletin No. 14G.

Very truly yours,

Cynthia H. Grimm
Vice President
Assistant Secretary &
Assistant General Counsel

Enclosures

§240.14a-8 Shareholder proposals.

This section addresses when a company must include a shareholder's proposal in its proxy statement and identify the proposal in its form of proxy when the company holds an annual or special meeting of shareholders. In summary, in order to have your shareholder proposal included on a company's proxy card, and included along with any supporting statement in its proxy statement, you must be eligible and follow certain procedures. Under a few specific circumstances, the company is permitted to exclude your proposal, but only after submitting its reasons to the Commission. We structured this section in a question-and-answer format so that it is easier to understand. The references to "you" are to a shareholder seeking to submit the proposal.

(a) *Question 1:* What is a proposal? A shareholder proposal is your recommendation or requirement that the company and/or its board of directors take action, which you intend to present at a meeting of the company's shareholders. Your proposal should state as clearly as possible the course of action that you believe the company should follow. If your proposal is placed on the company's proxy card, the company must also provide in the form of proxy means for shareholders to specify by boxes a choice between approval or disapproval, or abstention. Unless otherwise indicated, the word "proposal" as used in this section refers both to your proposal, and to your corresponding statement in support of your proposal (if any).

(b) *Question 2:* Who is eligible to submit a proposal, and how do I demonstrate to the company that I am eligible? (1) In order to be eligible to submit a proposal, you must have continuously held at least $2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal. You must continue to hold those securities through the date of the meeting.

(2) If you are the registered holder of your securities, which means that your name appears in the company's records as a shareholder, the company can verify your eligibility on its own, although you will still have to provide the company with a written statement that you intend to continue to hold the securities through the date of the meeting of shareholders. However, if like many shareholders you are not a registered holder, the company likely does not know that you are a shareholder, or how many shares you own. In this case, at the time you submit your proposal, you must prove your eligibility to the company in one of two ways:

(i) The first way is to submit to the company a written statement from the "record" holder of your securities (usually a broker or bank) verifying that, at the time you submitted your proposal, you continuously held the securities for at least one year. You must also include your own written statement that you intend to continue to hold the securities through the date of the meeting of shareholders; or

(ii) The second way to prove ownership applies only if you have filed a Schedule 13D (§240.13d-101), Schedule 13G (§240.13d-102), Form 3 (§249.103 of this chapter), Form 4 (§249.104 of this chapter) and/or Form 5 (§249.105 of this chapter), or amendments to those documents or updated forms, reflecting your ownership of the shares as of or before the date on which the one-year eligibility period begins. If you have filed one of these documents with the SEC, you may demonstrate your eligibility by submitting to the company:

(A) A copy of the schedule and/or form, and any subsequent amendments reporting a change in your ownership level;

(B) Your written statement that you continuously held the required number of shares for the one-year period as of the date of the statement; and

(C) Your written statement that you intend to continue ownership of the shares through the date of the company's annual or special meeting.

(c) *Question 3:* How many proposals may I submit? Each shareholder may submit no more than one proposal to a company for a particular shareholders' meeting.

(d) *Question 4:* How long can my proposal be? The proposal, including any accompanying supporting statement, may not exceed 500 words.

(e) *Question 5:* What is the deadline for submitting a proposal? (1) If you are submitting your proposal for the company's annual meeting, you can in most cases find the deadline in last year's proxy statement. However, if the company did not hold an annual meeting last year, or has changed the date of its meeting for this year more than 30 days from last year's meeting, you can usually find the deadline in one of the company's quarterly reports on Form 10-Q (§249.308a of this chapter), or in shareholder reports of investment companies under §270.30d-1 of this chapter of the Investment Company Act of 1940. In order to avoid controversy, shareholders should submit their proposals by means, including electronic means, that permit them to prove the date of delivery.

(2) The deadline is calculated in the following manner if the proposal is submitted for a regularly scheduled annual meeting. The proposal must be received at the company's principal executive offices not less than 120 calendar days before the date of the company's proxy statement released to shareholders in connection with the previous year's annual meeting. However, if the company did not hold an annual meeting the previous year, or if the date of this year's annual meeting has

been changed by more than 30 days from the date of the previous year's meeting, then the deadline is a reasonable time before the company begins to print and send its proxy materials.

(3) If you are submitting your proposal for a meeting of shareholders other than a regularly scheduled annual meeting, the deadline is a reasonable time before the company begins to print and send its proxy materials.

(f) *Question 6:* What if I fail to follow one of the eligibility or procedural requirements explained in answers to Questions 1 through 4 of this section? (1) The company may exclude your proposal, but only after it has notified you of the problem, and you have failed adequately to correct it. Within 14 calendar days of receiving your proposal, the company must notify you in writing of any procedural or eligibility deficiencies, as well as of the time frame for your response. Your response must be postmarked, or transmitted electronically, no later than 14 days from the date you received the company's notification. A company need not provide you such notice of a deficiency if the deficiency cannot be remedied, such as if you fail to submit a proposal by the company's properly determined deadline. If the company intends to exclude the proposal, it will later have to make a submission under §240.14a-8 and provide you with a copy under Question 10 below, §240.14a-8(j).

(2) If you fail in your promise to hold the required number of securities through the date of the meeting of shareholders then the company will be permitted to exclude all of your proposals from its proxy materials for any meeting held in the following two calendar years.

(g) *Question 7:* Who has the burden of persuading the Commission or its staff that my proposal can be excluded? Except as otherwise noted, the burden is on the company to demonstrate that it is entitled to exclude a proposal.

(h) *Question 8:* Must I appear personally at the shareholders' meeting to present the proposal? (1) Either you, or your representative who is qualified under state law to present the proposal on your behalf, must attend the meeting to present the proposal. Whether you attend the meeting yourself or send a qualified representative to the meeting in your place, you should make sure that you, or your representative, follow the proper state law procedures for attending the meeting and/or presenting your proposal.

(2) If the company holds its shareholder meeting in whole or in part via electronic media, and the company permits you or your representative to present your proposal via such media, then you may appear through electronic media rather than traveling to the meeting to appear in person.

(3) If you or your qualified representative fail to appear and present the proposal, without good cause, the company will be permitted to exclude all of your proposals from its proxy materials for any meetings held in the following two calendar years.

(i) *Question 9:* If I have complied with the procedural requirements, on what other bases may a company rely to exclude my proposal? (1) *Improper under state law:* If the proposal is not a proper subject for action by shareholders under the laws of the jurisdiction of the company's organization;

NOTE TO PARAGRAPH (i)(1): Depending on the subject matter, some proposals are not considered proper under state law if they would be binding on the company if approved by shareholders. In our experience, most proposals that are cast as recommendations or requests that the board of directors take specified action are proper under state law. Accordingly, we will assume that a proposal drafted as a recommendation or suggestion is proper unless the company demonstrates otherwise.

(2) *Violation of law:* If the proposal would, if implemented, cause the company to violate any state, federal, or foreign law to which it is subject;

NOTE TO PARAGRAPH (i)(2): We will not apply this basis for exclusion to permit exclusion of a proposal on grounds that it would violate foreign law if compliance with the foreign law would result in a violation of any state or federal law.

(3) *Violation of proxy rules:* If the proposal or supporting statement is contrary to any of the Commission's proxy rules, including §240.14a-9, which prohibits materially false or misleading statements in proxy soliciting materials;

(4) *Personal grievance; special interest:* If the proposal relates to the redress of a personal claim or grievance against the company or any other person, or if it is designed to result in a benefit to you, or to further a personal interest, which is not shared by the other shareholders at large;

(5) *Relevance:* If the proposal relates to operations which account for less than 5 percent of the company's total assets at the end of its most recent fiscal year, and for less than 5 percent of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company's business;

(6) *Absence of power/authority:* If the company would lack the power or authority to implement the proposal;

(7) *Management functions:* If the proposal deals with a matter relating to the company's ordinary business operations;

(8) *Director elections:* If the proposal:

(i) Would disqualify a nominee who is standing for election;

(ii) Would remove a director from office before his or her term expired;

(iii) Questions the competence, business judgment, or character of one or more nominees or directors;

(iv) Seeks to include a specific individual in the company's proxy materials for election to the board of directors; or

(v) Otherwise could affect the outcome of the upcoming election of directors.

(9) *Conflicts with company's proposal:* If the proposal directly conflicts with one of the company's own proposals to be submitted to shareholders at the same meeting;

Note to paragraph (i)(9): A company's submission to the Commission under this section should specify the points of conflict with the company's proposal.

(10) *Substantially implemented:* If the company has already substantially implemented the proposal;

Note to paragraph (i)(10): A company may exclude a shareholder proposal that would provide an advisory vote or seek future advisory votes to approve the compensation of executives as disclosed pursuant to Item 402 of Regulation S-K (§229.402 of this chapter) or any successor to Item 402 (a "say-on-pay vote") or that relates to the frequency of say-on-pay votes, provided that in the most recent shareholder vote required by §240.14a-21(b) of this chapter a single year (*i.e.*, one, two, or three years) received approval of a majority of votes cast on the matter and the company has adopted a policy on the frequency of say-on-pay votes that is consistent with the choice of the majority of votes cast in the most recent shareholder vote required by §240.14a-21(b) of this chapter.

(11) *Duplication:* If the proposal substantially duplicates another proposal previously submitted to the company by another proponent that will be included in the company's proxy materials for the same meeting;

(12) *Resubmissions:* If the proposal deals with substantially the same subject matter as another proposal or proposals that has or have been previously included in the company's proxy materials within the preceding 5 calendar years, a company may exclude it from its proxy materials for any meeting held within 3 calendar years of the last time it was included if the proposal received:

(i) Less than 3% of the vote if proposed once within the preceding 5 calendar years;

(ii) Less than 6% of the vote on its last submission to shareholders if proposed twice previously within the preceding 5 calendar years; or

(iii) Less than 10% of the vote on its last submission to shareholders if proposed three times or more previously within the preceding 5 calendar years; and

(13) *Specific amount of dividends:* If the proposal relates to specific amounts of cash or stock dividends.

(j) *Question 10:* What procedures must the company follow if it intends to exclude my proposal? (1) If the company intends to exclude a proposal from its proxy materials, it must file its reasons with the Commission no later than 80 calendar days before it files its definitive proxy statement and form of proxy with the Commission. The company must simultaneously provide you with a copy of its submission. The Commission staff may permit the company to make its submission later than 80 days before the company files its definitive proxy statement and form of proxy, if the company demonstrates good cause for missing the deadline.

(2) The company must file six paper copies of the following:

(i) The proposal;

(ii) An explanation of why the company believes that it may exclude the proposal, which should, if possible, refer to the most recent applicable authority, such as prior Division letters issued under the rule; and

(iii) A supporting opinion of counsel when such reasons are based on matters of state or foreign law.

(k) *Question 11:* May I submit my own statement to the Commission responding to the company's arguments?

Yes, you may submit a response, but it is not required. You should try to submit any response to us, with a copy to the company, as soon as possible after the company makes its submission. This way, the Commission staff will have time to consider fully your submission before it issues its response. You should submit six paper copies of your response.

(l) *Question 12:* If the company includes my shareholder proposal in its proxy materials, what information about me must it include along with the proposal itself?

(1) The company's proxy statement must include your name and address, as well as the number of the company's voting securities that you hold. However, instead of providing that information, the company may instead include a statement that it will provide the information to shareholders promptly upon receiving an oral or written request.

(2) The company is not responsible for the contents of your proposal or supporting statement.

(m) *Question 13:* What can I do if the company includes in its proxy statement reasons why it believes shareholders should not vote in favor of my proposal, and I disagree with some of its statements?

(1) The company may elect to include in its proxy statement reasons why it believes shareholders should vote against your proposal. The company is allowed to make arguments reflecting its own point of view, just as you may express your own point of view in your proposal's supporting statement.

(2) However, if you believe that the company's opposition to your proposal contains materially false or misleading statements that may violate our anti-fraud rule, §240.14a-9, you should promptly send to the Commission staff and the company a letter explaining the reasons for your view, along with a copy of the company's statements opposing your proposal. To the extent possible, your letter should include specific factual information demonstrating the inaccuracy of the company's claims. Time permitting, you may wish to try to work out your differences with the company by yourself before contacting the Commission staff.

(3) We require the company to send you a copy of its statements opposing your proposal before it sends its proxy materials, so that you may bring to our attention any materially false or misleading statements, under the following timeframes:

(i) If our no-action response requires that you make revisions to your proposal or supporting statement as a condition to requiring the company to include it in its proxy materials, then the company must provide you with a copy of its opposition statements no later than 5 calendar days after the company receives a copy of your revised proposal; or

(ii) In all other cases, the company must provide you with a copy of its opposition statements no later than 30 calendar days before its files definitive copies of its proxy statement and form of proxy under §240.14a-6.

[63 FR 29119, May 28, 1998; 63 FR 50622, 50623, Sept. 22, 1998, as amended at 72 FR 4168, Jan. 29, 2007; 72 FR 70456, Dec. 11, 2007; 73 FR 977, Jan. 4, 2008; 76 FR 6045, Feb. 2, 2011; 75 FR 56782, Sept. 16, 2010]

U.S. Securities and Exchange Commission

Division of Corporation Finance
Securities and Exchange Commission

Shareholder Proposals

Staff Legal Bulletin No. 14F (CF)

Action: Publication of CF Staff Legal Bulletin

Date: October 18, 2011

Summary: This staff legal bulletin provides information for companies and shareholders regarding Rule 14a-8 under the Securities Exchange Act of 1934.

Supplementary Information: The statements in this bulletin represent the views of the Division of Corporation Finance (the "Division"). This bulletin is not a rule, regulation or statement of the Securities and Exchange Commission (the "Commission"). Further, the Commission has neither approved nor disapproved its content.

Contacts: For further information, please contact the Division's Office of Chief Counsel by calling (202) 551-3500 or by submitting a web-based request form at https://www.sec.gov/forms/corp_fin_interpretive.

A. The purpose of this bulletin

This bulletin is part of a continuing effort by the Division to provide guidance on important issues arising under Exchange Act Rule 14a-8. Specifically, this bulletin contains information regarding:

- Brokers and banks that constitute "record" holders under Rule 14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8;
- Common errors shareholders can avoid when submitting proof of ownership to companies;
- The submission of revised proposals;
- Procedures for withdrawing no-action requests regarding proposals submitted by multiple proponents; and
- The Division's new process for transmitting Rule 14a-8 no-action responses by email.

You can find additional guidance regarding Rule 14a-8 in the following bulletins that are available on the Commission's website: SLB No. 14, SLB No. 14A, SLB No. 14B, SLB No. 14C, SLB No. 14D and SLB No. 14E.

B. The types of brokers and banks that constitute "record" holders under Rule 14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8

1. **Eligibility to submit a proposal under Rule 14a-8**

To be eligible to submit a shareholder proposal, a shareholder must have continuously held at least $2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the shareholder meeting for at least one year as of the date the shareholder submits the proposal. The shareholder must also continue to hold the required amount of securities through the date of the meeting and must provide the company with a written statement of intent to do so.[1]

The steps that a shareholder must take to verify his or her eligibility to submit a proposal depend on how the shareholder owns the securities. There are two types of security holders in the U.S.: registered owners and beneficial owners.[2] Registered owners have a direct relationship with the issuer because their ownership of shares is listed on the records maintained by the issuer or its transfer agent. If a shareholder is a registered owner, the company can independently confirm that the shareholder's holdings satisfy Rule 14a-8(b)'s eligibility requirement.

The vast majority of investors in shares issued by U.S. companies, however, are beneficial owners, which means that they hold their securities in book-entry form through a securities intermediary, such as a broker or a bank. Beneficial owners are sometimes referred to as "street name" holders. Rule 14a-8(b)(2)(i) provides that a beneficial owner can provide proof of ownership to support his or her eligibility to submit a proposal by submitting a written statement "from the 'record' holder of [the] securities (usually a broker or bank)," verifying that, at the time the proposal was submitted, the shareholder held the required amount of securities continuously for at least one year.[3]

2. The role of the Depository Trust Company

Most large U.S. brokers and banks deposit their customers' securities with, and hold those securities through, the Depository Trust Company ("DTC"), a registered clearing agency acting as a securities depository. Such brokers and banks are often referred to as "participants" in DTC.[4] The names of these DTC participants, however, do not appear as the registered owners of the securities deposited with DTC on the list of shareholders maintained by the company or, more typically, by its transfer agent. Rather, DTC's nominee, Cede & Co., appears on the shareholder list as the sole registered owner of securities deposited with DTC by the DTC participants. A company can request from DTC a "securities position listing" as of a specified date, which identifies the DTC participants having a position in the company's securities and the number of securities held by each DTC participant on that date.[5]

3. Brokers and banks that constitute "record" holders under Rule 14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8

In *The Hain Celestial Group, Inc.* (Oct. 1, 2008), we took the position that an introducing broker could be considered a "record" holder for purposes of Rule 14a-8(b)(2)(i). An introducing broker is a broker that engages in sales and other activities involving customer contact, such as opening customer accounts and accepting customer orders, but is not permitted to maintain custody of customer funds and securities.[6] Instead, an introducing broker engages another broker, known as a "clearing broker," to hold custody of client funds and securities, to clear and execute customer trades, and to handle other functions such as issuing confirmations of customer trades and customer account statements. Clearing brokers generally are DTC participants; introducing brokers generally are not. As introducing brokers generally are not DTC participants, and therefore typically do not appear on DTC's securities position listing, *Hain Celestial* has required companies to

accept proof of ownership letters from brokers in cases where, unlike the positions of registered owners and brokers and banks that are DTC participants, the company is unable to verify the positions against its own or its transfer agent's records or against DTC's securities position listing.

In light of questions we have received following two recent court cases relating to proof of ownership under Rule 14a-8[7] and in light of the Commission's discussion of registered and beneficial owners in the Proxy Mechanics Concept Release, we have reconsidered our views as to what types of brokers and banks should be considered "record" holders under Rule 14a-8(b)(2)(i). Because of the transparency of DTC participants' positions in a company's securities, we will take the view going forward that, for Rule 14a-8(b)(2)(i) purposes, only DTC participants should be viewed as "record" holders of securities that are deposited at DTC. As a result, we will no longer follow *Hain Celestial*.

We believe that taking this approach as to who constitutes a "record" holder for purposes of Rule 14a-8(b)(2)(i) will provide greater certainty to beneficial owners and companies. We also note that this approach is consistent with Exchange Act Rule 12g5-1 and a 1988 staff no-action letter addressing that rule,[8] under which brokers and banks that are DTC participants are considered to be the record holders of securities on deposit with DTC when calculating the number of record holders for purposes of Sections 12(g) and 15(d) of the Exchange Act.

Companies have occasionally expressed the view that, because DTC's nominee, Cede & Co., appears on the shareholder list as the sole registered owner of securities deposited with DTC by the DTC participants, only DTC or Cede & Co. should be viewed as the "record" holder of the securities held on deposit at DTC for purposes of Rule 14a-8(b)(2)(i). We have never interpreted the rule to require a shareholder to obtain a proof of ownership letter from DTC or Cede & Co., and nothing in this guidance should be construed as changing that view.

How can a shareholder determine whether his or her broker or bank is a DTC participant?

Shareholders and companies can confirm whether a particular broker or bank is a DTC participant by checking DTC's participant list, which is currently available on the Internet at **http://www.dtcc.com/~/media/Files/Downloads/client-center/DTC/alpha.ashx**.

What if a shareholder's broker or bank is not on DTC's participant list?

The shareholder will need to obtain proof of ownership from the DTC participant through which the securities are held. The shareholder should be able to find out who this DTC participant is by asking the shareholder's broker or bank.[9]

If the DTC participant knows the shareholder's broker or bank's holdings, but does not know the shareholder's holdings, a shareholder could satisfy Rule 14a-8(b)(2)(i) by obtaining and submitting two proof of ownership statements verifying that, at the time the proposal was submitted, the required amount of securities were continuously held for at least one year – one from the shareholder's broker or bank confirming the shareholder's ownership, and the other from the DTC participant confirming the broker or bank's ownership.

How will the staff process no-action requests that argue for exclusion on the basis that the shareholder's proof of ownership is not from a DTC

participant?

The staff will grant no-action relief to a company on the basis that the shareholder's proof of ownership is not from a DTC participant only if the company's notice of defect describes the required proof of ownership in a manner that is consistent with the guidance contained in this bulletin. Under Rule 14a-8(f)(1), the shareholder will have an opportunity to obtain the requisite proof of ownership after receiving the notice of defect.

C. Common errors shareholders can avoid when submitting proof of ownership to companies

In this section, we describe two common errors shareholders make when submitting proof of ownership for purposes of Rule 14a-8(b)(2), and we provide guidance on how to avoid these errors.

First, Rule 14a-8(b) requires a shareholder to provide proof of ownership that he or she has "continuously held at least $2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal" (emphasis added).[10] We note that many proof of ownership letters do not satisfy this requirement because they do not verify the shareholder's beneficial ownership for the entire one-year period preceding and including the date the proposal is submitted. In some cases, the letter speaks as of a date *before* the date the proposal is submitted, thereby leaving a gap between the date of the verification and the date the proposal is submitted. In other cases, the letter speaks as of a date *after* the date the proposal was submitted but covers a period of only one year, thus failing to verify the shareholder's beneficial ownership over the required full one-year period preceding the date of the proposal's submission.

Second, many letters fail to confirm continuous ownership of the securities. This can occur when a broker or bank submits a letter that confirms the shareholder's beneficial ownership only as of a specified date but omits any reference to continuous ownership for a one-year period.

We recognize that the requirements of Rule 14a-8(b) are highly prescriptive and can cause inconvenience for shareholders when submitting proposals. Although our administration of Rule 14a-8(b) is constrained by the terms of the rule, we believe that shareholders can avoid the two errors highlighted above by arranging to have their broker or bank provide the required verification of ownership as of the date they plan to submit the proposal using the following format:

> "As of [date the proposal is submitted], [name of shareholder] held, and has held continuously for at least one year, [number of securities] shares of [company name] [class of securities]."[11]

As discussed above, a shareholder may also need to provide a separate written statement from the DTC participant through which the shareholder's securities are held if the shareholder's broker or bank is not a DTC participant.

D. The submission of revised proposals

On occasion, a shareholder will revise a proposal after submitting it to a company. This section addresses questions we have received regarding revisions to a proposal or supporting statement.

1. A shareholder submits a timely proposal. The shareholder then submits a revised proposal before the company's deadline for receiving proposals. Must the company accept the revisions?

Yes. In this situation, we believe the revised proposal serves as a replacement of the initial proposal. By submitting a revised proposal, the shareholder has effectively withdrawn the initial proposal. Therefore, the shareholder is not in violation of the one-proposal limitation in Rule 14a-8(c).[12] If the company intends to submit a no-action request, it must do so with respect to the revised proposal.

We recognize that in Question and Answer E.2 of SLB No. 14, we indicated that if a shareholder makes revisions to a proposal before the company submits its no-action request, the company can choose whether to accept the revisions. However, this guidance has led some companies to believe that, in cases where shareholders attempt to make changes to an initial proposal, the company is free to ignore such revisions even if the revised proposal is submitted before the company's deadline for receiving shareholder proposals. We are revising our guidance on this issue to make clear that a company may not ignore a revised proposal in this situation.[13]

2. A shareholder submits a timely proposal. After the deadline for receiving proposals, the shareholder submits a revised proposal. Must the company accept the revisions?

No. If a shareholder submits revisions to a proposal after the deadline for receiving proposals under Rule 14a-8(e), the company is not required to accept the revisions. However, if the company does not accept the revisions, it must treat the revised proposal as a second proposal and submit a notice stating its intention to exclude the revised proposal, as required by Rule 14a-8(j). The company's notice may cite Rule 14a-8(e) as the reason for excluding the revised proposal. If the company does not accept the revisions and intends to exclude the initial proposal, it would also need to submit its reasons for excluding the initial proposal.

3. If a shareholder submits a revised proposal, as of which date must the shareholder prove his or her share ownership?

A shareholder must prove ownership as of the date the original proposal is submitted. When the Commission has discussed revisions to proposals,[14] it has not suggested that a revision triggers a requirement to provide proof of ownership a second time. As outlined in Rule 14a-8(b), proving ownership includes providing a written statement that the shareholder intends to continue to hold the securities through the date of the shareholder meeting. Rule 14a-8(f)(2) provides that if the shareholder "fails in [his or her] promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of [the same shareholder's] proposals from its proxy materials for any meeting held in the following two calendar years." With these provisions in mind, we do not interpret Rule 14a-8 as requiring additional proof of ownership when a shareholder submits a revised proposal.[15]

E. Procedures for withdrawing no-action requests for proposals submitted by multiple proponents

We have previously addressed the requirements for withdrawing a Rule 14a-8 no-action request in SLB Nos. 14 and 14C. SLB No. 14 notes that a company should include with a withdrawal letter documentation demonstrating that a shareholder has withdrawn the proposal. In cases where a proposal submitted by multiple shareholders is withdrawn, SLB No. 14C states that, if each shareholder has designated a lead individual to act

on its behalf and the company is able to demonstrate that the individual is authorized to act on behalf of all of the proponents, the company need only provide a letter from that lead individual indicating that the lead individual is withdrawing the proposal on behalf of all of the proponents.

Because there is no relief granted by the staff in cases where a no-action request is withdrawn following the withdrawal of the related proposal, we recognize that the threshold for withdrawing a no-action request need not be overly burdensome. Going forward, we will process a withdrawal request if the company provides a letter from the lead filer that includes a representation that the lead filer is authorized to withdraw the proposal on behalf of each proponent identified in the company's no-action request.[15]

F. Use of email to transmit our Rule 14a-8 no-action responses to companies and proponents

To date, the Division has transmitted copies of our Rule 14a-8 no-action responses, including copies of the correspondence we have received in connection with such requests, by U.S. mail to companies and proponents. We also post our response and the related correspondence to the Commission's website shortly after issuance of our response.

In order to accelerate delivery of staff responses to companies and proponents, and to reduce our copying and postage costs, going forward, we intend to transmit our Rule 14a-8 no-action responses by email to companies and proponents. We therefore encourage both companies and proponents to include email contact information in any correspondence to each other and to us. We will use U.S. mail to transmit our no-action response to any company or proponent for which we do not have email contact information.

Given the availability of our responses and the related correspondence on the Commission's website and the requirement under Rule 14a-8 for companies and proponents to copy each other on correspondence submitted to the Commission, we believe it is unnecessary to transmit copies of the related correspondence along with our no-action response. Therefore, we intend to transmit only our staff response and not the correspondence we receive from the parties. We will continue to post to the Commission's website copies of this correspondence at the same time that we post our staff no-action response.

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[1] See Rule 14a-8(b).

[2] For an explanation of the types of share ownership in the U.S., see Concept Release on U.S. Proxy System, Release No. 34-62495 (July 14, 2010) [75 FR 42982] ("Proxy Mechanics Concept Release"), at Section II.A. The term "beneficial owner" does not have a uniform meaning under the federal securities laws. It has a different meaning in this bulletin as compared to "beneficial owner" and "beneficial ownership" in Sections 13 and 16 of the Exchange Act. Our use of the term in this bulletin is not intended to suggest that registered owners are not beneficial owners for purposes of those Exchange Act provisions. *See* Proposed Amendments to Rule 14a-8 under the Securities Exchange Act of 1934 Relating to Proposals by Security Holders, Release No. 34-12598 (July 7, 1976) [41 FR 29982], at n.2 ("The term 'beneficial owner' when used in the context of the proxy rules, and in light of the purposes of those rules, may be interpreted to have a broader meaning than it would for certain other purpose[s] under the federal securities laws, such as reporting pursuant to the Williams Act.").

3 If a shareholder has filed a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5 reflecting ownership of the required amount of shares, the shareholder may instead prove ownership by submitting a copy of such filings and providing the additional information that is described in Rule 14a-8(b)(2)(ii).

4 DTC holds the deposited securities in "fungible bulk," meaning that there are no specifically identifiable shares directly owned by the DTC participants. Rather, each DTC participant holds a pro rata interest or position in the aggregate number of shares of a particular issuer held at DTC. Correspondingly, each customer of a DTC participant – such as an individual investor – owns a pro rata interest in the shares in which the DTC participant has a pro rata interest. *See* Proxy Mechanics Concept Release, at Section II.B.2.a.

5 *See* Exchange Act Rule 17Ad-8.

6 *See* Net Capital Rule, Release No. 34-31511 (Nov. 24, 1992) [57 FR 56973] ("Net Capital Rule Release"), at Section II.C.

7 *See KBR Inc. v. Chevedden*, Civil Action No. H-11-0196, 2011 U.S. Dist. LEXIS 36431, 2011 WL 1463611 (S.D. Tex. Apr. 4, 2011); *Apache Corp. v. Chevedden*, 696 F. Supp. 2d 723 (S.D. Tex. 2010). In both cases, the court concluded that a securities intermediary was not a record holder for purposes of Rule 14a-8(b) because it did not appear on a list of the company's non-objecting beneficial owners or on any DTC securities position listing, nor was the intermediary a DTC participant.

8 *Techne Corp.* (Sept. 20, 1988).

9 In addition, if the shareholder's broker is an introducing broker, the shareholder's account statements should include the clearing broker's identity and telephone number. *See* Net Capital Rule Release, at Section II.C.(iii). The clearing broker will generally be a DTC participant.

10 For purposes of Rule 14a-8(b), the submission date of a proposal will generally precede the company's receipt date of the proposal, absent the use of electronic or other means of same-day delivery.

11 This format is acceptable for purposes of Rule 14a-8(b), but it is not mandatory or exclusive.

12 As such, it is not appropriate for a company to send a notice of defect for multiple proposals under Rule 14a-8(c) upon receiving a revised proposal.

13 This position will apply to all proposals submitted after an initial proposal but before the company's deadline for receiving proposals, regardless of whether they are explicitly labeled as "revisions" to an initial proposal, unless the shareholder affirmatively indicates an intent to submit a second, *additional* proposal for inclusion in the company's proxy materials. In that case, the company must send the shareholder a notice of defect pursuant to Rule 14a-8(f)(1) if it intends to exclude either proposal from its proxy materials in reliance on Rule 14a-8(c). In light of this guidance, with respect to proposals or revisions received before a company's deadline for submission, we will no longer follow *Layne Christensen Co.* (Mar. 21, 2011) and other prior staff no-action letters in which we took the view that a proposal would violate the Rule 14a-8(c) one-proposal limitation if such proposal is submitted to a company after the company has either submitted a Rule 14a-8 no-action request to exclude an earlier proposal submitted by

the same proponent or notified the proponent that the earlier proposal was excludable under the rule.

14 See, e.g., Adoption of Amendments Relating to Proposals by Security Holders, Release No. 34-12999 (Nov. 22, 1976) [41 FR 52994].

15 Because the relevant date for proving ownership under Rule 14a-8(b) is the date the proposal is submitted, a proponent who does not adequately prove ownership in connection with a proposal is not permitted to submit another proposal for the same meeting on a later date.

16 Nothing in this staff position has any effect on the status of any shareholder proposal that is not withdrawn by the proponent or its authorized representative.

http://www.sec.gov/interps/legal/cfslb14f.htm

U.S. Securities and Exchange Commission

Division of Corporation Finance
Securities and Exchange Commission

Shareholder Proposals

Staff Legal Bulletin No. 14G (CF)

Action: Publication of CF Staff Legal Bulletin

Date: October 16, 2012

Summary: This staff legal bulletin provides information for companies and shareholders regarding Rule 14a-8 under the Securities Exchange Act of 1934.

Supplementary Information: The statements in this bulletin represent the views of the Division of Corporation Finance (the "Division"). This bulletin is not a rule, regulation or statement of the Securities and Exchange Commission (the "Commission"). Further, the Commission has neither approved nor disapproved its content.

Contacts: For further information, please contact the Division's Office of Chief Counsel by calling (202) 551-3500 or by submitting a web-based request form at https://www.sec.gov/forms/corp_fin_interpretive.

A. The purpose of this bulletin

This bulletin is part of a continuing effort by the Division to provide guidance on important issues arising under Exchange Act Rule 14a-8. Specifically, this bulletin contains information regarding:

- the parties that can provide proof of ownership under Rule 14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8;
- the manner in which companies should notify proponents of a failure to provide proof of ownership for the one-year period required under Rule 14a-8(b)(1); and
- the use of website references in proposals and supporting statements.

You can find additional guidance regarding Rule 14a-8 in the following bulletins that are available on the Commission's website: SLB No. 14, SLB No. 14A, SLB No. 14B, SLB No. 14C, SLB No. 14D, SLB No. 14E and SLB No. 14F.

B. Parties that can provide proof of ownership under Rule 14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8

1. Sufficiency of proof of ownership letters provided by affiliates of DTC participants for purposes of Rule 14a-8(b)(2)(i)

To be eligible to submit a proposal under Rule 14a-8, a shareholder must, among other things, provide documentation evidencing that the shareholder has continuously held at least $2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the shareholder meeting for at least one year as of the date the shareholder submits the proposal. If the shareholder is a beneficial owner of the securities, which means that the securities are held in book-entry form through a securities intermediary, Rule 14a-8(b)(2)(i) provides that this documentation can be in the form of a "written statement from the 'record' holder of your securities (usually a broker or bank)...."

In SLB No. 14F, the Division described its view that only securities intermediaries that are participants in the Depository Trust Company ("DTC") should be viewed as "record" holders of securities that are deposited at DTC for purposes of Rule 14a-8(b)(2)(i). Therefore, a beneficial owner must obtain a proof of ownership letter from the DTC participant through which its securities are held at DTC in order to satisfy the proof of ownership requirements in Rule 14a-8.

During the most recent proxy season, some companies questioned the sufficiency of proof of ownership letters from entities that were not themselves DTC participants, but were affiliates of DTC participants.[1] By virtue of the affiliate relationship, we believe that a securities intermediary holding shares through its affiliated DTC participant should be in a position to verify its customers' ownership of securities. Accordingly, we are of the view that, for purposes of Rule 14a-8(b)(2)(i), a proof of ownership letter from an affiliate of a DTC participant satisfies the requirement to provide a proof of ownership letter from a DTC participant.

2. Adequacy of proof of ownership letters from securities intermediaries that are not brokers or banks

We understand that there are circumstances in which securities intermediaries that are not brokers or banks maintain securities accounts in the ordinary course of their business. A shareholder who holds securities through a securities intermediary that is not a broker or bank can satisfy Rule 14a-8's documentation requirement by submitting a proof of ownership letter from that securities intermediary.[2] If the securities intermediary is not a DTC participant or an affiliate of a DTC participant, then the shareholder will also need to obtain a proof of ownership letter from the DTC participant or an affiliate of a DTC participant that can verify the holdings of the securities intermediary.

C. Manner in which companies should notify proponents of a failure to provide proof of ownership for the one-year period required under Rule 14a-8(b)(1)

As discussed in Section C of SLB No. 14F, a common error in proof of ownership letters is that they do not verify a proponent's beneficial ownership for the entire one-year period preceding and including the date the proposal was submitted, as required by Rule 14a-8(b)(1). In some cases, the letter speaks as of a date *before* the date the proposal was submitted, thereby leaving a gap between the date of verification and the date the proposal was submitted. In other cases, the letter speaks as of a date *after* the date the proposal was submitted but covers a period of only one year, thus failing to verify the proponent's beneficial ownership over the required full one-year period preceding the date of the proposal's submission.

Under Rule 14a-8(f), if a proponent fails to follow one of the eligibility or procedural requirements of the rule, a company may exclude the proposal only if it notifies the proponent of the defect and the proponent fails to

correct it. In SLB No. 14 and SLB No. 14B, we explained that companies should provide adequate detail about what a proponent must do to remedy all eligibility or procedural defects.

We are concerned that companies' notices of defect are not adequately describing the defects or explaining what a proponent must do to remedy defects in proof of ownership letters. For example, some companies' notices of defect make no mention of the gap in the period of ownership covered by the proponent's proof of ownership letter or other specific deficiencies that the company has identified. We do not believe that such notices of defect serve the purpose of Rule 14a-8(f).

Accordingly, going forward, we will not concur in the exclusion of a proposal under Rules 14a-8(b) and 14a-8(f) on the basis that a proponent's proof of ownership does not cover the one-year period preceding and including the date the proposal is submitted unless the company provides a notice of defect that identifies the specific date on which the proposal was submitted and explains that the proponent must obtain a new proof of ownership letter verifying continuous ownership of the requisite amount of securities for the one-year period preceding and including such date to cure the defect. We view the proposal's date of submission as the date the proposal is postmarked or transmitted electronically. Identifying in the notice of defect the specific date on which the proposal was submitted will help a proponent better understand how to remedy the defects described above and will be particularly helpful in those instances in which it may be difficult for a proponent to determine the date of submission, such as when the proposal is not postmarked on the same day it is placed in the mail. In addition, companies should include copies of the postmark or evidence of electronic transmission with their no-action requests.

D. Use of website addresses in proposals and supporting statements

Recently, a number of proponents have included in their proposals or in their supporting statements the addresses to websites that provide more information about their proposals. In some cases, companies have sought to exclude either the website address or the entire proposal due to the reference to the website address.

In SLB No. 14, we explained that a reference to a website address in a proposal does not raise the concerns addressed by the 500-word limitation in Rule 14a-8(d). We continue to be of this view and, accordingly, we will continue to count a website address as one word for purposes of Rule 14a-8(d). To the extent that the company seeks the exclusion of a website reference in a proposal, but not the proposal itself, we will continue to follow the guidance stated in SLB No. 14, which provides that references to website addresses in proposals or supporting statements could be subject to exclusion under Rule 14a-8(i)(3) if the information contained on the website is materially false or misleading, irrelevant to the subject matter of the proposal or otherwise in contravention of the proxy rules, including Rule 14a-9.[3]

In light of the growing interest in including references to website addresses in proposals and supporting statements, we are providing additional guidance on the appropriate use of website addresses in proposals and supporting statements.[4]

1. References to website addresses in a proposal or supporting statement and Rule 14a-8(i)(3)

References to websites in a proposal or supporting statement may raise concerns under Rule 14a-8(i)(3). In SLB No. 14B, we stated that the

exclusion of a proposal under Rule 14a-8(i)(3) as vague and indefinite may be appropriate if neither the shareholders voting on the proposal, nor the company in implementing the proposal (if adopted), would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires. In evaluating whether a proposal may be excluded on this basis, we consider only the information contained in the proposal and supporting statement and determine whether, based on that information, shareholders and the company can determine what actions the proposal seeks.

If a proposal or supporting statement refers to a website that provides information necessary for shareholders and the company to understand with reasonable certainty exactly what actions or measures the proposal requires, and such information is not also contained in the proposal or in the supporting statement, then we believe the proposal would raise concerns under Rule 14a-9 and would be subject to exclusion under Rule 14a-8(i)(3) as vague and indefinite. By contrast, if shareholders and the company can understand with reasonable certainty exactly what actions or measures the proposal requires without reviewing the information provided on the website, then we believe that the proposal would not be subject to exclusion under Rule 14a-8(i)(3) on the basis of the reference to the website address. In this case, the information on the website only supplements the information contained in the proposal and in the supporting statement.

2. Providing the company with the materials that will be published on the referenced website

We recognize that if a proposal references a website that is not operational at the time the proposal is submitted, it will be impossible for a company or the staff to evaluate whether the website reference may be excluded. In our view, a reference to a non-operational website in a proposal or supporting statement could be excluded under Rule 14a-8(i)(3) as irrelevant to the subject matter of a proposal. We understand, however, that a proponent may wish to include a reference to a website containing information related to the proposal but wait to activate the website until it becomes clear that the proposal will be included in the company's proxy materials. Therefore, we will not concur that a reference to a website may be excluded as irrelevant under Rule 14a-8(i)(3) on the basis that it is not yet operational if the proponent, at the time the proposal is submitted, provides the company with the materials that are intended for publication on the website and a representation that the website will become operational at, or prior to, the time the company files its definitive proxy materials.

3. Potential issues that may arise if the content of a referenced website changes after the proposal is submitted

To the extent the information on a website changes after submission of a proposal and the company believes the revised information renders the website reference excludable under Rule 14a-8, a company seeking our concurrence that the website reference may be excluded must submit a letter presenting its reasons for doing so. While Rule 14a-8(j) requires a company to submit its reasons for exclusion with the Commission no later than 80 calendar days before it files its definitive proxy materials, we may concur that the changes to the referenced website constitute "good cause" for the company to file its reasons for excluding the website reference after the 80-day deadline and grant the company's request that the 80-day requirement be waived.

[1] An entity is an "affiliate" of a DTC participant if such entity directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the DTC participant.

[2] Rule 14a-8(b)(2)(i) itself acknowledges that the record holder is "usually," but not always, a broker or bank.

[3] Rule 14a-9 prohibits statements in proxy materials which, at the time and in the light of the circumstances under which they are made, are false or misleading with respect to any material fact, or which omit to state any material fact necessary in order to make the statements not false or misleading.

[4] A website that provides more information about a shareholder proposal may constitute a proxy solicitation under the proxy rules. Accordingly, we remind shareholders who elect to include website addresses in their proposals to comply with all applicable rules regarding proxy solicitations.

http://www.sec.gov/interps/legal/cfslb14g.htm

From: Delaney Greig <dgreig@share.ca>
Date: November 17, 2017 at 9:19:26 AM CST
To: "Grimm, Cindy" <cgrimm@ti.com>
Subject: **[EXTERNAL] Shareholder proposal - proof of ownership**

Dear Cynthia Grimm

Please find attached a letter from the custodian for OceanRock (Meritas SRI Funds)'s stock in Texas Instruments providing the requisite proof of ownership to support their shareholder proposal filed Nov 3 2017. I have also reattached the associated shareholder proposal for reference.

Regards,
Delaney Greig

Delaney Greig
Analyst
Shareholder Association for Research & Education
E: dgreig@share.ca
T: +1-416-306-6463
www.share.ca

State Street Trust Company Canada

State Street Financial Centre
30 Adelaide Street East, Suite 1100
Toronto, Ontario M5C 3G6

statestreet.com

RE: Texas Instruments Incorporated

ISIN: US8825081040
CUSIP: 882508104

To Whom It May Concern:

Please be advised that we wish to confirm **27,097** shares of the above security were continuously beneficially owned by **MERITAS U.S. EQUITY FUND** for a period of more than one year (from **Nov 3 2016 to Nov 3 2017**), and held in the name of **State Street Trust Company Canada** through the Canadian Depository

MERITAS U.S. EQUITY FUND has the authority to vote these shares at the upcoming 2018 annual general meeting of shareholders on the condition that they are still holding these shares as of the meeting record date.

Please do not hesitate to contact me if you have any questions.

Sincerely,

Usman Ahmed
State Street Trust Company Canada
30 Adelaide Street East. Suite 1100
Toronto, Ontario M5C 3G6
647 775 5647
Uahmed2@statestreet.com

Information Classification: General

OCEANROCK

November 3, 2017

Attn: Cynthia Trochu, Secretary and General Counsel
Texas Instruments Incorporated,
12500 TI Boulevard, MS 8658,
Dallas, TX 75243

Dear Cynthia Trochu;

Re: Shareholder Proposal for Circulation at 2018 Annual General Meeting (AGM)

On behalf of OceanRock Investments Inc [Meritas U.S. Equity Fund] ("OceanRock"), I am writing to give notice that pursuant to the 2017 Proxy Statement of Texas Instruments Incorporated (the "Company") and Rule 14a-8 under the Securities Exchange Act of 1934, OceanRock intends to present the attached proposal (the "Proposal") at the 2018 annual meeting of shareholders (the "Annual Meeting"). OceanRock is co-filing this Proposal with lead filer, Arjuna Capital.

OceanRock is the beneficial owner of 27,097 shares of voting common stock (the "Shares") of the Company, and has held the Shares for over one year. In addition, OceanRock intends to continue its ownership of the Shares through the date on which the Annual Meeting is held.

The Proposal is attached. I represent that OceanRock or its agent intends to appear in person or by proxy at the Annual Meeting to present the Proposal. I declare that OceanRock has no "material interest" other than that believed to be shared by stockholders of the Company generally.

I hereby request that the proposal and the enclosed supporting statement be included in, or attached to, the management proxy circular to be issued in respect of the 2018 Annual Meeting for consideration by shareholders. I further request that the proposal be identified on the Annual Meeting's form of proxy as a matter to be voted for or against by the beneficial and registered shareholders of the Company.

I authorise Arjuna Capital to withdraw on our behalf if an agreement is reached.

Please direct all questions and correspondence regarding the Proposal to Delaney Greig, Engagement Analyst, at the Shareholder Association for Research and Education, at:

SHARE - Shareholder Association for Research & Education
Suite 220, 401 Richmond Street W, Toronto, ON, M5V 3A8
tel: 416-306-6463 e-mail: dgreig@share.ca

Sincerely,

Fredrick M. Pinto, CFA
Chief Executive Officer
OceanRock Investments Inc.

Gender Pay Equity

Whereas:

The median income for women working full time in the United States is reported to be 80 percent of that of their male counterparts. This 10,470 dollar disparity can add up to nearly half a million dollars over a career. The gap for African America and Latina women is 60 percent and 55 percent respectively. At the current rate, women will not reach pay parity until 2059. The World Economic Forum estimates the gender pay gap costs the economy 1.2 trillion dollars annually.

Glassdoor finds an unexplained 5.9 percent gender pay gap in the technology industry after statistical controls, noting "many tech jobs top the list for largest gender pay gaps." Robeco Sam finds a 9 percent pay gap for managers at semiconductor companies and a lower retention rate for female managers than male managers.

In the tech industry, McKinsey & Co. reports only 36 percent of women hold entry level positions and female representation declines as job title advances, with only 17 percent in C suite positions.

At Texas Instruments, 37.5 percent of global employees are women, and women account for only 28.5 percent of our firm's executives.

Mercer finds actively managing pay equity "is associated with higher current female representation at the professional through executive levels and a faster trajectory to improved representation."

Research from organizations including Morgan Stanley, McKinsey, and Robeco Sam suggests more gender diverse leadership leads to better performance across metrics including stock price and return on equity. McKinsey states, "the business case for the advancement and promotion of women is compelling." Best practices to address this opportunity include "tracking and eliminating gender pay gaps." McKinsey reports 63 percent of companies report tracking salary gaps.

Regulatory risk exists as the Paycheck Fairness Act pends before Congress. California, Massachusetts, New York, and Maryland have passed some of the strongest equal pay legislation to date.

The *Wall Street Journal* reports, "Research attributes salary inequalities to several factors—from outright bias to women failing to ask for raises." A Harvard University economist concluded the gap stems from women making less in the same jobs. As much as 40 percent of the wage gap may be attributed to discrimination.

Peer companies including Intel, Apple, Expedia, Adobe, Amazon, Microsoft, eBay, and Google have publically reported and committed to gender pay equity.

Resolved: Shareholders request Texas Instruments prepare a report, omitting proprietary information, above and beyond litigation strategy or legal compliance, and prepared at reasonable cost, on the Company's policies and goals to reduce the gender pay gap.

The gender pay gap is defined as the difference between male and female median earnings expressed as a percentage of male earnings according to the Organization for Economic Cooperation and Development

Supporting Statement: A report adequate for investors to assess Texas Instrument's strategy and performance would include the percentage pay gap between male and female employees across race and ethnicity, including base, bonus and equity compensation, policies to address that gap, methodology used, and quantitative reduction targets.

EXHIBIT B

Company Website Disclosures

Texas Instruments Pay Equity Report

Our goal:

- TI is committed to paying all employees, including women and men, and minorities and non-minorities, equitably. We take this commitment seriously, and we are proud of the results.

Our policies and processes:

- Our policy is to pay all employees equitably, consistent with our Equal Employment Opportunity policy that prohibits discrimination in all terms and conditions of employment, including pay.
- We have designed into our annual compensation review process checks and balances to ensure that we pay women and men, and minorities and non-minorities, equitably.
    - Our robust compensation system actively looks for unexplained pay discrepancies and the reasons behind them. In addition, on an annual basis, we engage outside experts to conduct a detailed compensation analysis.
    - We offer training to managers on non-discrimination and legitimate factors for determining compensation, and we provide managers with market-based pay range guidance that applies to all employees in the same job and level, regardless of gender or race.
    - There is no single decision-maker for any compensation decision, as recommendations made by first-level managers are reviewed by at least one higher level business manager and the human resources manager.
    - If disparities are found at any point during the review process, we explore whether legitimate reasons, such as performance or experience, support the difference; and if unjustified, we make adjustments.
- TI's compensation system is therefore designed with multiple layers of oversight and review to ensure that compensation decisions are fair.

Sustainability: Employee well-being: Pay and benefits

To innovate, grow and prosper, TI must recruit and retain the best talent the industry has to offer. We strive to compensate, recognize and develop our employees to keep them engaged and productive. provide competitive benefits to help employees improve their health, reduce stress, balance their careers and personal lives, and increase their financial security.

Our total compensation philosophy of pay for performance rewards employees in a manner commensurate with their individual contribution to organizational and overall company success. It is designed to be competitive and to ensure that key talent, who will drive future growth, will remain wi the company.

Compensation

We offer competitive compensation as a tool to recruit and retain top talent globally. The compensat and benefits we provide exceed or are in accordance with local laws. We do not maintain a standard entry wage for every country; however, we have verified that we pay employees above the local minimum wage in every country where we operate. We compensate each employee based on legiti work-related factors regardless of gender, race, ethnicity or other protected characteristics.

Our compensation approach is to target base pay and benefits at the industry norm, while providing variable cash bonuses based on company and individual performance. Compensation includes sala and bonuses, deferred compensation, equity programs and retirement programs.

Salary/bonuses

We compensate employees with market-competitive salaries. We reward exceptional performance, regardless of age, gender, race, ethnicity or other personal characteristics, with higher pay. In additi base salaries, we have a profit-sharing plan that pays cash bonuses based on our annual profitabilit

Our performance-driven bonus structure pays out based on the company's absolute and relative performance. Employees' performance during the year dictates whether they will receive a reward, a well as the amount they will receive.

Paying our employees fairly is at the core of our commitment to diversity. We have formal checks ar balances in our compensation system designed to ensure we pay employees equitably. Our system multiple layers of oversight, including reviews of compensation recommendations by at least one hig level business manager and Human Resources. Additionally, we conduct an annual, in-depth analys determine whether unwarranted disparities exist.

Deferred compensation

Our deferred compensation plan offers eligible highly compensated employees the opportunity to de a portion of their base pay, year-end bonus and profit sharing. Employees can select the deferral amount and the timing of payments within the rules of the plan.

Equity programs

We offer an employee stock purchase plan that allows employees to buy company stock at a 15 per discount four times a year. Employees can pay for stock through payroll deductions and may sell the shares at any point in the future.

We also selectively grant equity awards to attract and retain key employees who are vital to the company's future success. The use of equity is tied to market practice and is intended to align with t

interests of our shareholders.

Retirement programs

Our retirement benefits cover eligible, active U.S. employees. In other countries where we operate, benefits vary.

We have a robust financial education program, including workshops and a wealth of resources and to help employees get on the right path and stay on track toward a financially healthy retirement.

Pension plans

For U.S. employees hired before December 1997, we have a defined benefit pension plan, of which company pays full costs. Pension benefits are paid from a pension trust fund, which is not a compar asset.

401(k)

We offer all U.S. employees the ability to contribute to a 401(k) savings plan. We currently match 10 percent of employee contributions, up to 4 percent of annual eligible earnings, except for those employees actively accruing benefits in the pension plan. For those employees, we match 50 percer their 401(k) contributions, up to 2 percent of annual eligible earnings.

Health, life and disability benefits

TI's benefits include health, extended benefits coverage, income protection, long-term savings, finar advisement programs and wellness programs. Benefits apply to employees, military employees and retirees and include time off and income protection. These benefits may vary by region.

Full-time U.S.-based employees and those who work an alternative work schedule (20 to 39 hours p week) are eligible for all benefits, including medical, prescription, dental, vision, employee assistanc and income protection. Interns and employees who work fewer than 20 hours per week are ineligible most benefits.

Employees

TI provides various benefit options to our employees, including health plans, dental care, vision care insurance, and short- and long-term disability.

Each year, TI evaluates its benefit offerings and makes necessary changes to ensure that TI contin to offer competitive benefits. There is an equal amount of time and resource spent making sure tha health care costs of the company are managed appropriately. We share the cost of some benefits w employees.

We make it easy for U.S. employees to enroll in and update their benefits information and to review compensation packages through internal online sources. Through our internal website, benefits.ti.co information about employee benefits is organized into family, employment and personal life events. gives employees a quicker way to research a benefits issue or question.

To offset the cost of a variety of benefits, TI:

- Contributes $750 for employee-only coverage and $1,250 for all other levels of coverage to the h savings accounts of individuals enrolled in our high-deductible health plan.
- Provides health care and dependent care spending accounts, which allow employees to set aside pre-tax dollars to pay for eligible medical and dependent care services.
- Offers access to a limited-purpose dental and vision spending account for employees enrolled in high-deductible health plan.

Offers a comprehensive set of preventive programs to help employees maintain healthy lifestyles

Military employees

To minimize the financial hardship for U.S. employees called to active duty, TI provides an income supplement that makes up the difference between their military pay and TI's pay. We also continue t provide military employees with medical and dental coverage, 401(k) and stock contributions, and lif insurance during their leave.

Time Bank

U.S. employees receive a set number of paid hours each month that can be used for leisure, vacatic personal time, short-term non-occupational illness or injury, and funeral or bereavement time off. Ac is based on the number of full years of service completed before the first day of each month. Active employees also receive nine paid holidays, time off for jury duty and military leave.

Income protection

TI's insurance options support U.S. employees in times of injury, illness or death. These benefits include:

- Short- and long-term disability.
- Life insurance.
- Accidental death and dismemberment.
- Business travel accident insurance.

Retirees

For U.S. employees who qualify, our extended health benefits coverage provides access to medical dental benefits after leaving the company. This coverage includes PPOs and HMOs, and dental PP(and HMO plans.

Global benefits

To attract and retain key talent, we evaluate both wages and benefits programs offered by host governments and other local companies where we operate internationally to ensure that we remain competitive.