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

DIVISION OF
CORPORATION FINANCE

February 25, 2019

George J. Vlahakos
Sidley Austin LLP
gvlahakos@sidley.com

Re: Cheniere Energy, Inc.

Dear Mr. Vlahakos:

This letter is in regard to your correspondence dated February 22, 2019 concerning the shareholder proposal (the "Proposal") submitted to Cheniere Energy, Inc. (the "Company") by Stewart Taggart (the "Proponent") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. Your letter indicates that the Proponent has withdrawn the Proposal and that the Company therefore withdraws its January 22, 2019 request for a no-action letter from the Division. Because the matter is now moot, we will have no further comment.

Copies of all of the correspondence related to this matter 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,

Kasey L. Robinson
Special Counsel

cc: Stewart Taggart
***

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

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February 22, 2019

VIA EMAIL

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

Re: *Cheniere Energy, Inc.*
Stockholder Proposal of Stewart Taggart
Securities Exchange Act of 1934—Rule 14a-8

Ladies and Gentlemen:

In a letter dated January 22, 2019, we requested the staff of the Division of Corporation Finance concur that our client, Cheniere Energy, Inc. (the "Company") could exclude from its proxy statement and form of proxy for its 2019 Annual Meeting of Stockholders a stockholder proposal and supporting statement (the "Proposal") received from Stewart Taggart (the "Proponent").

Attached as Exhibit A is the relevant portion of an email communication from the Proponent verifying that the Proponent has withdrawn the Proposal and confirming that he reserves the right to make another proposal for the Company's 2020 Annual Meeting of Stockholders. In reliance on this communication, we hereby withdraw our January 22, 2019 no-action request.

Please do not hesitate to call me at 713-495-4522 if you have any questions.

Very truly yours,

George J. Vlahakos

Attachment

cc: Sean N. Markowitz
General Counsel & Corporate Secretary
Cheniere Energy, Inc.

Leonard Wood
Sidley Austin LLP

Stewart Taggart

Exhibit A

From: Stewart Taggart ***
Sent: Thursday, February 21, 2019 11:18 AM
To: Corporate Secretary <CorporateSecretary@cheniere.com>
Subject: That wasn't so hard, was it?

Thanks for the phone call. Apologies for my cranky hearing aids.

First things first, This is what you want to hear:

I withdraw my current shareholder resolution filed with Cheniere this year due to Cheniere's constructive engagement with me on the issues raised. [….]

I DO however reserve the right to file another resolution next year if not satisfied with my interaction with the company.

[The remainder of this email has been intentionally omitted.]

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AMERICA • ASIA PACIFIC • EUROPE

January 22, 2019

VIA EMAIL

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

Re: *Cheniere Energy, Inc.*
Stockholder Proposal of Stewart Taggart
Securities Exchange Act of 1934—Rule 14a-8

Ladies and Gentlemen:

This letter is to inform you that Cheniere Energy, Inc. (the "Company") intends to omit from its proxy statement and form of proxy for its 2019 Annual Meeting of Stockholders (collectively, the "2019 Proxy Materials") a stockholder proposal and supporting statement (the "Proposal") received from Stewart Taggart (the "Proponent").

Pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended, we have:

- filed this letter with the Securities and Exchange Commission (the "Commission") no later than 80 calendar days before the Company intends to file the 2019 Proxy Materials with the Commission; and
- concurrently sent a copy of this correspondence to the Proponent.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) ("SLB 14D") provide that stockholder proponents are required to send companies a copy of any correspondence that the stockholder proponents elect to submit to the Commission or the staff of the Division of Corporation Finance (the "Staff"). Accordingly, we are taking this opportunity to inform the Proponent that if the Proponent elects to submit any correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should concurrently be sent to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

PROPOSAL

The Proposal states:

> **RESOLVED**: The company is requested to prepare a report outlining the premature write down, or stranding, risk to the company's Liquid Natural Gas assets across a range of rising carbon price scenarios (say $50 by 2025 and $100 by 2030 in 2018 dollars).

Such analysis should include the life-cycle emissions (production, transport and combustion) of the specific natural gas the company delivers as Liquid Natural Gas using various carbon price scenarios and administratively-mandated reductions to meet the 2c target. Credible comparative costs for renewables should be included.

The report should be produced at reasonable cost and omit proprietary information.

A copy of the Proposal may be found within Exhibit B.

BASES FOR EXCLUSION

As discussed more fully below, the Company believes that it may properly exclude the Proposal from its 2019 Proxy Materials in reliance on:

- Rules 14a-8(b) and 14a-8(f)(1) because the Proponent failed to provide the requisite proof of continuous ownership in response to the Company's proper request for that information; and
- Rule 14a-8(i)(3) because the Proposal is impermissibly vague and indefinite so as to be inherently misleading.

BACKGROUND

June 12, 2018 — The Company received on June 12, 2018 a letter from the Proponent dated June 4, 2018 (the "June 4 Letter") (a copy of which is attached hereto as Exhibit A), containing versions of a stockholder resolution and supporting statement which the Proponent noted were not final. The June 4 Letter asked the Company to "accept the enclosed resolution for submission to a vote by shareholders at the company's 2019 annual general meeting." The June 4 Letter additionally stated that a "final version will be submitted to [the Company] in October or early November" and that "proof of share ownership will accompany the final version." The June 4 Letter did not contain information demonstrating the Proponent's ownership of the Company's securities or the Proponent's intent to hold such securities through the date of the Company's annual meeting.

July 2, 2018 — The Company received on July 2, 2018 a new letter from the Proponent dated June 29, 2018 (the "June 29 Letter") (a copy of which is attached hereto as Exhibit B). The Proponent shipped the June 29 Letter to the Company via Federal Express on June 29, 2018 (*see* Exhibit B). In the June 29 Letter, the Proponent withdrew the proposal he had provided in the June 4 Letter and replaced it with the Proposal. To this effect, the June 29 Letter stated: "Please allow me to withdraw the shareholder resolution I submitted June 4. Please replace it with the enclosed."

The Proponent implied in his letter that the version of the proposal contained in the June 4 Letter may have been intended for "Sempra" (i.e., Sempra Energy). The

Proposal was substantially different from the resolution and supporting statement contained in the June 4 Letter, as shown by the redline comparing the two submissions attached hereto as Exhibit C.

The June 29 Letter enclosed a letter from Pershing LLC, dated July 29, 2018 (the "First Pershing Letter") (a copy of which may be found within Exhibit B), stating that the Proponent and Rebecca W. Taggart "hold and have held continuously since June 8, 2017, *30 shares of* ***Sempra Energy Common Stock***" (emphasis added). In other words, the Proponent submitted a letter from Pershing LLC regarding his ownership of shares of a company that is not Cheniere Energy, Inc. As the Proponent's materials submitted on June 29 twice referenced Sempra Energy, the Company considered that the Proponent was possibly sending to the Company materials he intended to submit to Sempra Energy in the future.

The Company's stock records did not indicate that the Proponent was the record owner of any shares of the Company's securities.

July 13, 2018

Within 14 calendar days of the date that the Company received the Proposal, the Company, on July 13, 2018, shipped via Federal Express a letter to the Proponent dated July 13, 2018 (the "Deficiency Notice") (a copy of which is attached hereto as Exhibit D). The Deficiency Notice informed the Proponent that his June 29 Letter and the accompanying First Pershing Letter had failed to document his ownership of the Company's shares: "You have provided a written statement from Pershing LLC that you hold, and have held continuously since June 8, 2017, 30 shares of a company that is not Cheniere Energy, Inc. As such, the statement from Pershing LLC that you have provided is not eligible documentation of any ownership you may have of shares of the Company."

As required by Staff Legal Bulletin No. 14B (Sept. 15, 2004) ("SLB 14B") and Staff Legal Bulletin No. 14G (Oct. 16, 2012) ("SLB 14G"), the Deficiency Notice also provided to the Proponent detailed information regarding ownership requirements under Rule 14a-8, along with copies of Rule 14a-8, Staff Legal Bulletin No. 14F (Oct. 18, 2011) and SLB 14G. The Deficiency Notice set forth, among other things, the ownership requirements of Rule 14a-8(b), the type of statement or documentation necessary for the Proponent to demonstrate requisite beneficial ownership under Rule 14a-8(b) and the requirement that any response to the Deficiency Notice had to be postmarked or transmitted electronically to the Company no later than 14 calendar days from the date the Proponent received the Deficiency Notice.

The Deficiency Notice conveyed that Rule 14a-8(b)(1) provides that "[i]n 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." The Deficiency Notice then identified the specific date of submission as of which

beneficial ownership of the Company's shares had to be substantiated, noting: "The date of submission of your proposal is the date the proposal is postmarked, which is June 29, 2018."

July 16, 2018 The Company emailed the Deficiency Notice to the Proponent on July 16, 2018, also within 14 calendar days of the date that the Company received the Proposal.

The Proponent responded to the Deficiency Notice by sending to the Company an email on the same day (the "July 16 Email") (a copy of which is attached hereto as Exhibit E). In the July 16 Email, the Proponent purported not to understand why the Deficiency Notice had stated that the Proponent had provided insufficient proof of share ownership in the Company. The July 16 Email nevertheless included as an attachment a copy of a new letter from Pershing LLC, dated as of July 29, 2018 (the "Second Pershing Letter") (a copy of which may be found in Exhibit E), which stated, in pertinent part: "[the Proponent] and Rebecca W. Taggart . . . as of the date of this letter, hold and have held continuously since June 8, 2017, 70 shares of Cheniere Energy Inc. Common Stock."

The Second Pershing Letter was dated July 29, 2018. The date of July 29, 2018 had not yet occurred as of July 16, 2018, the date on which the Proponent first transmitted the Second Pershing Letter to the Company in the July 16 Email. Additionally, the date of July 29, 2018 had also not occurred as of June 29, 2018—the date on which the Federal Express package containing the Proposal was postmarked and shipped to the Company. In his July 16 Email, the Proponent acknowledged this error and ambiguity in the Second Pershing Letter, stating:

> I attach [the Second Pershing Letter], signed by Daniel Brunell V.P. I DO acknowledge, however, Daniel may not have been at his best. He (or his assistant) dated it July 29, 2018, a date that has yet to pass. But I can't see how that's my fault. We all make mistakes.

July 18, 2018 The Proponent, on July 18, 2018, shipped via Federal Express a letter to the Company dated July 17, 2018 (the "July 17 Letter") (a copy of which is attached hereto as Exhibit F), purporting to provide supplemental information about the Proponent's ownership of shares in the Company. In this letter, the Proponent purported again not to understand why the Deficiency Notice had stated that the Proponent had provided insufficient proof of share ownership in the Company. In the July 17 Letter, the Proponent asserted that, as of June 29, 2018, the Proponent "had held the required value of *Cheniere Energy* shares for 398 days" (emphasis in original). The Proponent supported this statement with a snapshot from what appears to be an online version of an account statement from Essex Financial, a financial institution that the Proponent claimed was his "custody account holder" in respect of Company shares owned by the Proponent.

> The Proponent also included in the July 17 Letter another copy of the Second Pershing Letter, and stated with respect to such letter: "I had to overlook Pershing's wrong date (July 28 instead of, presumably, June 28)."

The Company has since exchanged written communications with the Proponent to discuss whether the Proponent would consider withdrawing the Proposal, but the Company has received no further correspondence from the Proponent regarding proof of the Proponent's ownership of Company shares.

ANALYSIS

I. The Proposal May Be Excluded Under Rules 14a-8(b) And 14a-8(f)(1) Because The Proponent Failed To Establish The Requisite Eligibility To Submit The Proposal

The Company may exclude the Proposal under Rule 14a-8(f)(1) because the Proponent did not substantiate his eligibility to submit the Proposal under Rule 14a-8(b) by providing the requisite shareholding information described in the Deficiency Notice.

Rule 14a-8(b)(1) provides, in part, that "[i]n order to be eligible to submit a proposal, [a stockholder] 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 [the stockholder] submit[s] the proposal." Section C.1.c of Staff Legal Bulletin No. 14 (July 13, 2001) ("SLB 14") specifies that when a stockholder is not the registered holder, the stockholder "is responsible for proving his or her eligibility to submit a proposal to the company," which the stockholder may do by one of the two ways provided in Rule 14a-8(b)(2). Rule 14a-8(f) provides that a company may exclude a stockholder proposal if the proponent fails to provide evidence of eligibility under Rule 14a-8, including the beneficial ownership requirements of Rule 14a-8(b), provided that the company timely notifies the proponent of the problem and the proponent fails to correct the deficiency within the required time. The Company satisfied its obligation under Rule 14a-8 by transmitting the Deficiency Notice to the Proponent in a timely manner. *See* Exhibit D.

The Second Pershing Letter failed to sufficiently establish the Proponent's requisite ownership of Company shares because the letter was dated July 29, 2018, a date that had not occurred as of July 16, 2018—the date on which the Proponent first transmitted the Second Pershing Letter)—or as of June 29, 2018—the date as of which the Proponent must have held continuous ownership of the requisite number and amount of the Company's shares for one year in order to avoid exclusion of the Proposal under Rules 14a-8(b)(1) and 14a-8(f).

In order to avoid exclusion of the Proposal under Rules 14a-8(b)(1) and 14a-8(f), the Proponent needed to provide, within 14 calendar days of receiving the Deficiency Notice, adequate proof that the Proponent had held the requisite number and amount of the Company's shares continuously for a one-year period preceding and including June 29, 2018 (the date the Proposal was submitted). Section C of SLB 14G provides that the Staff views the proposal's date of submission, for purposes of Rules 14a-8(b) and 14a-8(f), as "the date the proposal is postmarked or transmitted electronically." Here, the date of submission of the Proposal was June 29, 2018. The Second Pershing Letter does not supply such proof of continuous

ownership because the letter does not prove that the Proponent held the Company's shares for a one-year period preceding and including June 29, 2018.

An interpretation of events favorable to the Proponent would claim that the Second Pershing Letter's use of the future date of July 29, 2018 implies that the Proponent must have held his shares from June 29, 2017 through June 29, 2018. However, there is no necessary reason that the Company should or must adopt such an interpretation. The Second Pershing Letter could just as well speak of the Proponent's ownership as of the date of June 27, 2018 or any other date before June 29, 2018—which would not prove continuous ownership for the one-year period preceding and including June 29, 2018. The Company simply does not, and cannot, know the date as of which the Second Pershing Letter speaks, because the Second Pershing Letter is dated as of, and speaks to, a date that had not yet occurred on whatever date the Second Pershing Letter was actually executed.

The Staff has consistently interpreted Rules 14a-8(b)(1) and 14a-8(f)(1) strictly, and has on numerous occasions concurred in the exclusion by companies of stockholder proposals pursuant to these rules where the proof of ownership submitted by a stockholder failed to establish that the stockholder held the requisite amount of the company's securities continuously for one year as of the date the proposal was submitted. In *PepsiCo, Inc. (Albert)* (avail. Jan. 10, 2013), the proponent submitted a proposal postmarked November 20, 2012 and provided a broker letter that established ownership of company securities for one year as of November 19, 2012. The company properly sent a deficiency notice to the proponent that specifically identified the date as of which beneficial ownership had to be substantiated and how the proponent could substantiate such ownership. The Staff concurred in the exclusion of the proposal because the broker letter was insufficient to prove continuous share ownership for one year as of November 20, 2012. *See also Mattel, Inc.* (avail. Jan. 7, 2014) (concurring in the exclusion of a proposal where a broker letter stating ownership for one year as of October 23, 2013 was insufficient to prove continuous ownership for one year preceding and including November 22, 2013, the date the proponent had submitted its proposal); *Rockwood Holdings, Inc.* (avail. Jan. 18, 2013) (concurring in the exclusion of a proposal where the proponent provided ownership verification for the period from November 1, 2011 to November 15, 2012, for a proposal submitted on November 29, 2012); *Deere & Co. (Walden Asset Management and Tides Foundation)* (avail. Nov. 16, 2011) (concurring in the exclusion of a proposal where the ownership verification failed to cover three days of the required one-year ownership period).

A broker, additionally, cannot attest to ownership as of a future date. In *General Electric Company* (avail. Jan. 24, 2013), the proponent submitted a proposal postmarked November 7, 2012 and provided a broker letter dated November 6, 2012 that purported to confirm the proponent's ownership of company securities as of November 7, 2012. General Electric properly sent a deficiency notice to the proponent that specifically identified the date as of which beneficial ownership had to be substantiated and informed the proponent that a letter could not verify ownership of shares as of a future date. In its no-action request letter, the company argued: "A letter cannot verify ownership of Company shares as of a future date, as the letter's author would lack a sufficient factual basis to make such a statement." The Staff concurred in the exclusion of the proposal.

The Company would also submit to the Staff that, irrespective of the arguments and precedents cited above regarding proof of continuous ownership for a one-year period, a proof of ownership letter from

a broker that is dated as of a date that has not yet occurred ought to be regarded by the Company and the Staff as per se invalid and insufficient as proof of stock ownership for purposes of Rule 14a-8(b).

The July 17 Letter, for its part, also did not provide requisite proof of the Proponent's shareholding because it purported to do so by providing a snapshot from what appears to be an online version of an account statement from Essex Financial. The Commission has made clear that periodic brokerage account statements—even those that appear to cover the requisite one-year period—are not sufficient proof of a proponent's ownership of company securities. "A shareholder must submit an affirmative written statement from the record holder of his or her securities that specifically verifies that the shareholder owned the securities *continuously* for a period of one year as of the time of submitting the proposal." SLB 14, Section C.1.c.2 (emphasis in original). Consistent with this approach, the Staff has concurred in the exclusion of proposals on the grounds that a periodic brokerage or account statement was insufficient proof of ownership. For example, in *IDACORP, Inc.* (avail. Mar. 5, 2008), the proponents submitted monthly individual retirement account statements to establish ownership of company securities. The Staff concurred in the exclusion of their proposal under Rule 14a-8(f), noting that the proponents had "failed to supply . . . documentary support sufficiently evidencing that they satisfied the minimum ownership requirement for the one-year period required by rule 14a-8(b)." *See also E.I. du Pont de Nemours and Co.* (avail. Jan. 17, 2012); *McGraw Hill Cos., Inc.* (avail. Jan. 28, 2008); *Yahoo! Inc.* (avail. Mar. 29, 2007); *EDAC Technologies Corp.* (avail. Mar. 28, 2007) (in each, the Staff concurred with a no-action request arguing that periodic brokerage or account statements were insufficient to demonstrate continuous ownership of company securities).

The Staff has consistently held the view that Rule 14a-8 does not require companies to deliver supplemental deficiency notices to a stockholder that has failed to meet the procedural requirements under Rule 14a-8. Pursuant to Rule 14a-8(f)(1) and precedent no-action letters, if a company timely notifies a proponent that his or her proposal is deficient for eligibility and procedural reasons, and the proponent's response fails to cure the deficiency, the company has no obligation to send a second deficiency notice or otherwise notify the proponent of a continuing deficiency. For example, in *Kaman Corp.* (avail. Dec. 14, 2016), the Staff concurred that Kaman Corporation could exclude a proposal under Rule 14a-8(f) for failing to supply documentary support sufficiently evidencing that the proponent had satisfied the minimum ownership requirement for the one-year period required by Rule 14a-8(b). Kaman Corporation had sent the proponent one deficiency notice and argued that it was not obligated to send a second deficiency notice after receiving evidence of ownership that was yet again insufficient. *See also Great Plains Energy Inc.* (avail. Jan. 19, 2011); *Great Plains Energy Inc.* (avail. June 17, 2010); *Allegheny Energy, Inc.* (avail. Dec. 22, 2009); *Alcoa Inc.* (avail. Feb. 18, 2009); *General Electric Company* (avail. Dec. 19, 2008) (all concurring in the exclusion of a stockholder proposal where the proponent, even after receiving a deficiency notice, did not supply sufficient proof of ownership).

It is the Proponent's obligation and not the Company's to demonstrate eligibility to submit the Proposal under Rule 14a-8. The Company has an obligation to notify the Proponent of any alleged defects within 14 calendar days of receiving the Proposal, which the Company did in the Deficiency Notice. The Company is not required to engage in a back-and-forth with the Proponent through the Rule 14a-8 proposal process. Section C.6 of SLB 14 states that "a company may exclude a proposal from its proxy materials due to eligibility or procedural defects if within 14 calendar days of receiving the proposal, it provides the

shareholder with written notice of the defect(s), including the time frame for responding; and . . . the shareholder timely responds but does not cure the eligibility or procedural defect(s)."

In light of the foregoing, the Company intends to exclude the Proposal under Rule 14a-8(f)(1) because the Proponent did not substantiate his eligibility to submit the Proposal under Rule 14a-8(b) by providing the requisite shareholding information described in the Deficiency Notice.

II. The Proposal May Be Excluded Under Rule 14a-8(i)(3) Because It Is Impermissibly Vague And Indefinite

Rule 14a-8(i)(3) permits the exclusion of a stockholder proposal if the proposal and/or supporting statement is contrary to any of the Commission's proxy rules or regulations, including Rule 14a-9, which prohibits materially false or misleading statements in proxy soliciting materials. The Staff has consistently taken the position that a stockholder proposal is excludable under Rule 14a-8(i)(3) as vague and indefinite if "neither the stockholders 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." Section B.1, SLB 14B. *See also Dyer v. Sec. & Exch. Comm'n*, 287 F.2d 777, 781 (8th Cir. 1961) (supporting the Commission's view that "the proposal, as drafted and submitted to the company is so vague and indefinite as to make it impossible for either the board of directors or the stockholders at large to comprehend precisely what the proposal would entail"); *Capital One Financial Corp.* (avail. Feb. 7, 2003) (concurring in the exclusion of a proposal under Rule 14a-8(i)(3) where the company argued that "there is a substantial likelihood that if the Proposal is included in the Proxy Statement and adopted, the actions taken by the Company to implement the Proposal would be significantly different from the actions envisioned by some of the shareholders voting on the Proposal"); *Fuqua Industries, Inc*. (avail. Mar. 12, 1991) (concurring in the exclusion of a proposal under Rule 14a-8(i)(3) where a company and its stockholders might interpret the proposal differently, such that "any action ultimately taken by the Company upon implementation [of the proposal] could be significantly different from the actions envisioned by shareholders voting on the proposal").

The rationale for excluding vague and ambiguous proposals is "twofold: (1) shareholders are entitled to know the breadth of the proposal on which they are asked to vote; and (2) the company must be able to comprehend what actions or measures the proposal requires of it." *Trinity Wall Street v. Wal-Mart Stores, Inc.*, 792 F.3d 323, 355 (3d Cir. 2015). As further described below, the Proposal is so vague and indefinite as to be materially misleading and, therefore, is excludable under Rule 14a-8(i)(3) because (1) the Proposal fails to provide stockholders or management with a clear understanding of what would be required to implement the Proposal and (2) the Proposal fails to define key terms relevant to its implementation.

A. The Proposal fails to provide stockholders or management with a clear understanding of what would be required to implement the Proposal.

The first and second paragraphs of the "Resolved" clause are in conflict as to meaning and intent, leaving both stockholders and the Company without a clear understanding of what action is required to implement the Proposal. The "Resolved" clause begins by stating: "The company is requested to prepare a

report outlining the premature write down, or stranding, risk to the company's Liquid Natural Gas assets across of a range of rising carbon price scenarios . . . ." The "Resolved" clause asks for a report regarding stranded asset risk to the Company's business, accounting for multiple future carbon pricing scenarios. As such, the requested report would presumably include the Company's forward-looking risk projections based on assumptions about future economic conditions, carbon asset prices and possible Company business strategies. By contrast, the next paragraph in the "Resolved" clause states: "Such analysis should include the life-cycle emissions (production, transport and combustion) of the specific natural gas the company delivers as Liquid Natural Gas . . . ." Discussing lifecycle emissions of natural gas products is a different undertaking from creating a report about carbon asset risk based on assumptions about future economic conditions. Although the subjects could be discussed under a single report, it is unclear what the text of the Proposal requires when it asks that "[s]uch analysis should *include* life-cycle emissions" (emphasis added). The Company and particularly stockholders, without additional information, will not be able to determine with reasonable certainty based on the text of the Proposal how the second topic of lifecycle emissions should be addressed in connection with the topic of future carbon asset risk.

The rest of the second paragraph of the "Resolved" clause is also difficult to interpret and would likely cause the Company and its stockholders to form different understandings of what the Proposal is asking the Company to do. The first sentence of that paragraph states in full:

> Such analysis should include the life-cycle emissions (production, transport and combustion) of the specific natural gas the company delivers as Liquid Natural Gas *using various carbon price scenarios* and administratively-mandated reductions to meet the 2c target. (emphasis added)

It is unclear how the Proponent intends that the Company's analysis of lifecycle emissions should "use" carbon price scenarios. The relationship between an analysis of emissions and the topic of future carbon price is no way obvious or readily apparent, and so the connection between the two topics is unclear. As a result, this paragraph of the "Resolved" clause cannot be understood by the Company or its stockholders with reasonable certainty.

Furthermore, since the "Resolved" clause asks the Company to produce information about "life-cycle emissions (production, transport and combustion) of the specific natural gas the company delivers as Liquid Natural Gas," it is unclear from the terms of the Proposal whether the Company is being asked to produce information regarding the emissions of natural gas products while such products are under the charge of the Company (as indicated by the words "the specific natural gas the [C]ompany delivers as Liquid Natural Gas"), or before, during and/or after the time such natural gas products are under the charge of the Company (as indicated by the terms "life-cycle" and "production, transport and combustion"). While the terms "production, transport and combustion" are most often read to refer to the lifecycle of natural gas from extraction through consumer usage, a plausible reading of the terms would suggest that these terms can be applied to specific operations the Company may undertake with natural gas under its charge. These subjects are extremely different in terms of breadth and scope, and it is unclear which is the subject of the Proposal.

The Company's operations take place within the midstream portion of the lifecycle of natural gas products; the Company operates and contracts with infrastructure that moves natural gas between upstream producers and downstream consumers. The Company generally conducts its operations in connection with other midstream companies, for example by contracting with land-based pipeline companies to deliver natural gas to the Company's liquefied natural gas ("LNG") terminals, or by contracting with marine shipping companies that will deliver natural gas from the Company's LNG terminals to other midstream companies and downstream consumers. In other words, the Company is predominantly engaged in "transport" and liquefaction, rather than the "production" or "combustion" of natural gas, and the Company is not involved with natural gas throughout its entire lifecycle. The Company does not necessarily have particular expertise on the emissions of natural gas producers and consumers operating elsewhere in the upstream/midstream/downstream lifecycle of natural gas.

In light of the foregoing, the difference to the Company between providing information in a report regarding the emissions of natural gas products while such products are under the charge of the Company versus the broader subject of the "life-cycle" emissions of natural gas products at all stages of their lifecycle (i.e., "production, transport, and combustion") is significant. The lack of clarity as to the scope of coverage sought by the Proposal is problematic for the Company and creates the kind of vagueness that the Commission has historically found to be sufficient grounds for exclusion. The Company and the stockholders could easily come to different conclusions about what information the Proposal is seeking with respect to emissions related to LNG.

The Proposal also suffers from a related problem, discussed below, in that the Proposal's text, in contrast to other stockholder proposals asking for disclosure about emissions, never defines or delimits a scope for the term "emissions." The supporting statement refers variously to "carbon" emissions, "greenhouse gas" emissions and "methane" emissions—all of which are to various degrees more specific than the standalone term "emissions" which is used in the "Resolved" clause of the Proposal.

The Proposal therefore creates significant risk that the Company and particularly its stockholders, without additional information, will not know with certainty what the Company's stockholders are voting for or against. As in *Fuqua Industries, Inc*. (avail. Mar. 12, 1991), the Company and its stockholders might interpret the proposal differently, such that the Company's implementation of the Proposal could be significantly different from the actions envisioned by stockholders voting on the Proposal. An analogy can also be drawn to *Microsoft Corp.* (avail. Oct. 7, 2016), where the resolution in the stockholder's proposal asked that the board "not take any action whose primary purpose is to prevent the effectiveness of the shareholder vote." The company argued that the resolution and supporting statement "lack clarity as to the nature and scope of the Submission's request." The company noted that "although [the proponent] may be able to identify whether the Submission would apply to a particular situation when they see it," the proposal did not provide the company or its stockholders with a clear basis on which to make a comparable determination because the "Submission and its supporting statement . . . [contain] conflicting and ambiguous statements as to when a particular situation would be covered by the Submission." The Staff concurred in the exclusion of the proposal, noting the company's argument that neither stockholders nor the company would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires. As in *Microsoft Corp.*, the Company and stockholders cannot be certain as to the nature and scope of information that the Proposal expects the Company to research, collect, create, analyze

and publicly disclose. The Proposal's text is not clear as to whether the Company's coverage of emissions in a report should address emissions only for natural gas under the Company's charge or instead should address emissions that occur in all parts of the lifecycle of such natural gas. Further, the Proposal's text is not clear about whether the Company's coverage of emissions should include emissions of every kind or a more specific variety of emissions, such as carbon, greenhouse gas or methane emissions.

B. The Proposal fails to define key terms relevant to its implementation.

The Staff has routinely concurred in the exclusion of proposals under Rule 14a-8(i)(3) where an undefined term was a central aspect of the proposal. For example, in *The Home Depot, Inc.* (avail. Mar. 12, 2014, *recon. denied* Mar. 27, 2014), the Staff concurred in the exclusion of a proposal that requested a sustainability report using "benchmark objective footprint" information and referencing an external standard, "GRI", without defining or describing the term. In *Moody's Corp.* (avail. Feb. 10, 2014), the Staff concurred in the exclusion of a proposal that requested a report on the feasibility of incorporating "ESG risk assessments" into credit rating methodologies without defining the term. In *Dell Inc.* (avail. Mar. 30, 2012), the Staff concurred in the exclusion of a proposal that would allow stockholders who satisfy the "SEC Rule 14a-8(b) eligibility requirements" to include board nominations in the company's proxy, noting that the quoted language represented a central aspect of the proposal and that many stockholders "may not be familiar with the requirements and would not be able to determine the requirements based on the language of the proposal." In *McKesson Corp.* (avail. Apr. 17, 2013), the company argued that a proposal urging the board of directors to adopt a policy that the board's chairman be an independent director according to the definition set forth in the New York Stock Exchange listing standards could be excluded from the company's proxy materials as vague and indefinite. The Staff, concurring in the exclusion of the proposal, explained:

> [T]he proposal refers to the 'New York Stock Exchange listing standards' for the definition of an 'independent director' but does not provide information about what this definition means. In our view, this definition is a central aspect of the proposal. As we indicated in Staff Legal Bulletin No. 14G (Oct. 16, 2012), we believe that a proposal would be subject to exclusion under rule 14a-8(i)(3) if neither the shareholders voting on the proposal, nor the company in implementing the proposal (if adopted), would be able to determine with 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, stockholders and the company can determine what actions the proposal seeks. Accordingly, because the proposal does not provide information about what the New York Stock Exchange's definition of 'independent director' means, we believe stockholders would not be able to determine with any reasonable certainty exactly what actions or measures the proposal requires.

See also The Clorox Co. (avail. Aug. 13, 2012) and *Cardinal Health, Inc.* (avail. July 6, 2012) (each concurring in the exclusion under Rule 14a-8(i)(3) of a proposal requesting that the chairman of the board be an independent director in accordance with the "meaning set forth in the New York Stock Exchange . . . listing standards"); *Johnson & Johnson* (avail. Feb. 7, 2003) (concurring in the exclusion of a proposal

requesting the adoption of the "Glass Ceiling Commission's" business recommendations without describing the recommendations).

Here, the Proposal is excludable under Rule 14a-8(i)(3) because its text fails to define the key terms "life-cycle emissions," "2c target," "administratively-mandated" and "credible comparative costs for renewables." Any one of these undefined key terms would, on its own, render the entire Proposal vague and ambiguous for purposes of Rule 14a-8(i)(3) because each governs a critical factor necessary to publish a report that satisfies the Proposal. Here, all four terms, which are collectively central to understanding the meaning of the Proposal, are vague and ambiguous.

"*Life-cycle emissions.*" As mentioned in the discussion above, the Proposal never defines this term. The scores of stockholder proposals that have been submitted to companies in recent years under Rule 14a-8 requesting disclosures regarding emissions have uniformly specified that such disclosure should focus on "greenhouse gas" or "methane" emissions. *See, e.g.*, *Chevron Corp.* (avail. Mar. 28, 2018) (requesting a report on Chevron's actions to "minimize *methane* emissions" beyond regulatory requirements) (emphasis added); *EOG Resources, Inc.* (avail. Jan. 9, 2017) (requesting a report on "methane emissions"); *Great Plains Energy Inc.* (avail. Feb. 18, 2016) (requesting a report on "greenhouse gas" emissions). The Proposal, by contrast, provides no certain clarification, definition or limitation regarding the scope of the term "emissions." While the "Resolved" clause references simply "emissions," the supporting statement of the Proposal refers variously to "carbon," "greenhouse gas" and "methane" emissions.

"*2c target.*" In stark contrast to the scores of stockholder proposals that have been submitted to companies in recent years under Rule 14a-8 requesting disclosures regarding carbon asset risk or emissions, the Proposal does not provide *any* information—either in the "Resolved" clause or supporting statement—that clearly explains, defines or even contextualizes the term "2c target." The situation here differs from precedent situations and no-action requests in which companies sought concurrence of the Staff for the exclusion of a stockholder proposal on the basis that the term "2c target" (or its relative equivalent) was vague or ambiguous. In *Exxon Mobil Corp.* (avail. Mar. 22, 2016), for example, the company argued at length that the meaning of "2c target" as used in the proposal was not clear. The Staff declined to concur with the company's proposed exclusion. However, the proposal the company had received referenced the term "2c target" (or its relative equivalent) multiple times in the supporting statement in a manner that arguably provided some explanation and context to help stockholders understand the meaning of the term for purposes of the proposal. Here, the term "2c target" appears only once in the Proposal—in the "Resolved" clause—and appears without any context or explanation. As such, the Company and its stockholders will not be able to determine with reasonable certainty what this term means.

"*Administratively mandated.*" It is unclear from reading the "Resolved" clause or the supporting statement what administration or what kind of administration would be required to effect the future mandates that the Company is being asked to assume or project in its creation of the requested report.

"*Credible comparative costs for renewables.*" The principal ambiguity in this term is the word "credible." It is unclear from this language what standard the Company should apply to determine the comparative costs. As with the "benchmark objective footprint" standard that was challenged by the

company in *The Home Depot, Inc.*, it is unclear what standard will be sufficient to satisfy the requirements of the Proposal.

CONCLUSION

For the foregoing reasons, the Company requests the Staff concur that it will take no enforcement action if the Company excludes the Proposal from its 2019 Proxy Materials.

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. If we can be of any further assistance, please do not hesitate to contact me at the telephone number or email address appearing on the first page of this letter.

Very truly yours,

George J. Vlahakos

Encl.

cc: Sean N. Markowitz
General Counsel & Corporate Secretary
Cheniere Energy, Inc.

Leonard Wood
Sidley Austin LLP

Stewart Taggart

Exhibit A

Stewart Taggart
***

June 4, 2018

Sean N. Markowitz
General Counsel and Corporate Secretary
Cheniere Corporate Headquarters
700 Milam St., Ste. 1900
Houston, Texas 77002

Dear Secretary,

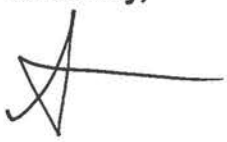
Please accept the enclosed resolution for submssion to a vote by shareholders at the company's 2019 annual general meeting.

It is submitted now to secure a place under the first to file rule. A final version will be submitted to you in October or early November, well ahead of the submission deadline.

Proof of share ownership for the required period will accompany the final version.

Between now and then, I can be reached at ***

Sincerely,



Stewart Taggart

WHEREAS: Global action to reduce carbon emissions creates premature writedown risk for the Liquid Natural Gas industry.

Understanding such risk is critical for investors to assess fair value for companies in the industry.

The US *Department of Energy* estimates natural gas extracted from North American wells and delivered to Europe or Asia by tanker as Liquid Natural Gas to generate electricity emits gas-well-to-wall socket life-cycle emissions of roughly 0.66-0.84 tonnes of carbon equivalent per megawatthour of electricity produced.

Coal produces 1.0-1.1 tonnes per megawatthour. Solar and wind 0.40 and 0.12 tonnes, respectively.

It is reasonable to expect that emissions tallied on common metrics such as the above to progressively undergo pricing or administrative reduction to meet the 2c objective.

To enable this, some experts see carbon prices rising from under $10 today (depending on market) to $100 or more per tonne by 2030 or 2040. For its part, the US *General Accounting Office* estimates the current unpaid 'social' -- or 'negative externality' -- cost of carbon at $40 per tonne.

Given the above, carbon priced at $40-$100 per tonne in the near future can be expected to negatively affect the competitiveness of natural gas delivered to market a Liquid Natural Gas compared to lower emission alternatives.

The *Rocky Mountain Institute* estimates wind and solar installations are now cheaper and faster to build than natural gas plants. Further, the institute sees wind and solar technology falling in price for years to come. By contrast, Liquid Natural Gas technology is mature. Unlike renewables, Liquid Natural Gas projects also have long construction lead times. Liquid Natural Gas projects also are bedevilled by ballooning cost overruns (unlike renewables in general).

Of course, wind and solar face energy storage challenges. The question, then, is whether the costs of overcoming these are greater than the life cycle carbon-emission differentials.

BE IT RESOLVED: The company is requested to prepare a report outlining the business case and premature writedown risk for the global Liquid Natural Gas trade under a range of rising carbon price scenarios (say to $30 to $120 by 2030 in 2018 dollars) applied to the life-cycle emissions (production, transport and combustion) of the company's natural gas assets.

Such a report should include discuss of how carbon pricing, a parallel 'implicit price' derived by intergovernmental action or a third method of achieving the 2c scenario under the Paris Accords will affect the longevity of the company's sunk and planned investments in Liquid Natural Gas infrastructure and the length of its carbon-adjusted economic lifespan.

The report should also include discussion of cost overrun, delayed starting and future technology risks run by Liquid Natural Gas industry compared to competing energy technology (primarily sun and wind, the two most mature, low cost renewables).

The report should be produced at reasonable cost, omit proprietary information.

Exhibit B

Sean Markowitz or
Corporate Secretary
Cheniere Corp.
700 Milam St, Suite 1900
Houston, Texas 77002

Stewart Taggart
***

June 29, 2018

Dear Mr Markowitz or Corporate Secretary

Please allow me to withdraw the shareholder resolution I submitted June 4.

Please replace it with the enclosed. The two are largely the same.

In submitting the June 4 resolution I had the mistaken impression proof of stock ownership couldn't be submitted simultaneously with the resolution, since the ownership proof would then pre-date receipt of the resolution by Sempra -- rendering the proof inadequate.

That, coupled with delays in getting proper documentation from upstream meant that I missed the 14-day period in which to submit the share ownership proof.

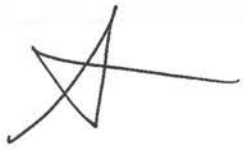
This time around, **the replacement resolution comes accompanied by the required share ownership documentation. I attest I will own the shares until after the next Annual General Meeting** (and well after that).

The best way to reach me is at *** -- a dedicated email address ensuring a prompt reply from me.

The reason I suggest email is three-fold.

1. I'm a better writer than talker
2. I have bad hearing.
3. I'll be travelling extensively between July 1 and September 10.

Sincerely,



Stewart Taggart

RESOLUTION

WHEREAS: Global effort to reduce carbon emissions creates stranded asset risk for the Liquid Natural Gas (LNG) industry. Understanding such risk is vital for investors to gauge fair value for the industry's companies.

The US Department of Energy estimates 'life-cycle' greenhouse gas emissions of electricity generated from natural gas shipped internationally as Liquid Natural Gas (including mining, transport to coasts, liquefying, shipping, regasifying, downstream power plant delivery and final combustion for electricity) at 0.61-0.84 tonnes of carbon equivalent per megawatt hour of electricity produced. Methane emissions go uncounted.

By comparison, coal produces 1.0- 1.1 tonnes per megawatt hour produced, solar 0.40 tonnes and wind 0.12 tonnes, according to asset manager Lazard.

As carbon emissions become priced, administratively reduced, or both, the life-cycle carbon emissions of Liquid Natural Gas may render it uncompetitive compared to alternatives.

The Liquid Natural Gas industry generally argues rapid deployment of low-emission technology toward midcentury will generate such large carbon emissions reductions that mid-century targets will be achievable in just the last few years to 2050 with little action therefore needed before the current fleet of Liquid Natural Gas investments are amortized.

Independent experts, meanwhile, nearly universally argue carbon prices need to rise from under $10 today (depending on market) to $100 or more per tonne by 2030 or 2040 to achieve the Paris Accord global carbon emission reduction goals with market forces.

The US General Accounting Office estimates the current unpaid 'social' -- or 'negative externality' -- cost of carbon at around $45 per tonne (in 2018 dollars).

Carbon priced at $100 per tonne (or more) by 2030-2040 applied to life cycle carbon emissions of Liquid Natural Gas will negatively affect the competitiveness of natural gas delivered internationally compared to lower emission sources.

The Rocky Mountain Institute, financial advisor Lazard and others estimate wind and solar installations are now cheaper to build and faster to deploy and operate than natural gas plants on total costs.Wind and solar also continue to fall in price while Liquid Natural Gas technology is mature with new projects often bedeviled by long lead times, slipping commission dates and ballooning cost overruns.

For their part, wind and solar face energy storage challenges Liquid Natural Gas does not.

The question for investors therefore is: what carbon price or administrative carbon emission reduction target erases any price difference between (but not limited to) wind and solar's storage challenge and Liquid Natural Gas' emissions challenge?

RESOLVED: The company is requested to prepare a report outlining the premature write down, or stranding, risk to the company's Liquid Natural Gas assets across a range of rising carbon price scenarios (say $50 by 2025 and $100 by 2030 in 2018 dollars).

Such analysis should include the life-cycle emissions (production, transport and combustion) of the specific natural gas the company delivers as Liquid Natural Gas using various carbon price scenarios and administratively-mandated reductions to meet the 2c target. Credible comparative costs for renewables should be included.

The report should be produced at reasonable cost and omit proprietary information.

Pershing

An affiliate of The Bank of New York

July 29, 2018

RE: STEWART WATERWORTH TAGGART & REBECCA WHITE TAGGART JT TEN,
THE STEWART W TAGGART & REBECCA W TAGGART JT REV TR UAD 08/29/17, STEWART WATERWORTH TAGGART & REBECCA WHITE TAGGART TTEES

To Whom It May Concern:

Pershing LLC is a DTC Participant with a DTC number of 0443. Pershing LLC carries the above referenced accounts for Stewart W. Taggart and Rebecca W. Taggart who, as Owners or Trustees, as of the date of this letter, hold and have held continuously since June 8, 2017, 30 shares of Sempra Energy Common Stock.

Sincerely,

***

Authorized Signature

Daniel Brunell – V.P

300 COLONIAL CENTER PARKWAY, LAKE MARY, FLORIDA 32746

rbon-neutral
shipping

FedEx® shipping label here

ORIGIN ID:HNLA
STEWART TAGGART

SHIP DATE: 29JUN18
ACTWGT: 0.50 LB
CAD:

BILL CREDIT CARD

UNITED STATES US

TO **SEAN MARKOWITZ OR CORP SECRETA**
CHENIERE CORP
700 MILAM ST STE 1900

HOUSTON TX 77002

(000) 000-0000 REF:

Part # 155282/938F/BCHS 04/16

TRK# 0201

MON - 02 JUL 10:30A
PRIORITY OVERNIGHT

SF EIXA

77002
TX-US **IAH**

B 2 10:30 6219 0702 A77

Exhibit C

RESOLUTION

WHEREAS: Global ~~action~~effort to reduce carbon emissions creates ~~premature writedown~~stranded asset risk for the Liquid Natural Gas (LNG) industry.

Understanding such risk is ~~critical~~vital for investors to ~~assess~~gauge fair value for the industry's companies ~~in the industry~~.

The US Department of Energy estimates 'life-cycle' greenhouse gas emissions of electricity generated from natural gas ~~extracted from North American wells and delivered to Europe or Asia by tanker~~shipped internationally as Liquid Natural Gas ~~to generate electricity emits gas-well-to-wall socket life-cycle emissions of roughly~~(including mining, transport to coasts, liquefying, shipping, regasifying, downstream power plant delivery and final combustion for electricity) at 0.6~~6~~1-0.84 tonnes of carbon equivalent per ~~megawatthour~~megawatt hour of electricity produced. Methane emissions go uncounted.

~~Coal~~By comparison, coal produces 1.0- 1.1 tonnes per ~~megawatthour. Solar~~megawatt hour produced, solar 0.40 tonnes and wind ~~0.40 and~~ 0.12 tonnes, ~~respectively~~according to asset manager Lazard.

~~It is reasonable to expect that emissions tallied on common metrics such as the above to progressively undergo pricing or administrative reduction to meet the 2c objective.~~

As carbon emissions become priced, administratively reduced, or both, the life-cycle carbon emissions of Liquid Natural Gas may render it uncompetitive compared to alternatives.

The Liquid Natural Gas industry generally argues rapid deployment of low-emission technology toward midcentury will generate such large carbon emissions reductions that mid-century targets will be achievable in just the last few years to 2050 with little action therefore needed before the current fleet of Liquid Natural Gas investments are amortized.

~~To enable this, some~~Independent experts ~~see~~, meanwhile, nearly universally argue carbon prices ~~rising~~need to rise from under $10 today (depending on market) to $100 or more per tonne by 2030 or 2040~~. For its part, the~~ to achieve the Paris Accord global carbon emission reduction goals with market forces.

The US General Accounting Office estimates the current unpaid 'social' — or 'negative externality' — cost of carbon at around $~~40~~45 per tonne (in 2018 dollars).

~~Given the above, carbon~~Carbon priced at $~~40-~~$100 per tonne ~~in the near future can be expected to~~ (or more) by 2030-2040 applied to life cycle carbon emissions of Liquid Natural Gas will negatively affect the competitiveness of natural gas delivered ~~to market a Liquid Natural Gas~~ internationally compared to lower emission ~~alternatives~~sources.

The Rocky Mountain Institute ~~estimates~~, financial advisor Lazard and others estimate wind and solar installations are now cheaper to build and faster to ~~build~~deploy and operate than natural gas plants~~. Further, the institute sees wind~~ on total costs. Wind and solar ~~technology falling~~also continue to fall in price ~~for years to come. By contrast,~~while Liquid Natural Gas technology is

mature~~. Unlike renewables, Liquid Natural Gas~~ with new projects ~~also have~~often bedeviled by long ~~construction~~ lead times~~. Liquid Natural Gas projects also are bedevilled by~~, slipping commission dates and ballooning cost overruns ~~(unlike renewables in general)~~.

~~Of course~~For their part, wind and solar face energy storage challenges~~. The question, then, is whether the costs of overcoming these are greater than the life cycle carbon emission differentials.~~ Liquid Natural Gas does not.

The question for investors therefore is: what carbon price or administrative carbon emission reduction target erases any price difference between (but not limited to) wind and solar's storage challenge and Liquid Natural Gas emissions challenge?

~~**BE IT**~~ **RESOLVED**: The company is requested to prepare a report outlining the ~~business case and~~ premature ~~writedown~~write down, or stranding, risk ~~for~~to the ~~global~~company's Liquid Natural Gas ~~trade under~~assets across a range of rising carbon price scenarios (say ~~to~~ $~~30 to~~50 by 2025 and $~~120~~100 by 2030 in 2018 dollars) ~~applied to~~.

Such analysis should include the life-cycle emissions (production, transport and combustion) of the ~~company's~~specific natural gas ~~assets.~~the company delivers as Liquid Natural Gas using various carbon price scenarios and administratively-mandated reductions to meet the 2c target. Credible comparative costs for renewables should be included.

~~Such a report should include discuss of how carbon pricing, a parallel 'implicit price' derived by intergovernmental action or a third method of achieving the 2c scenario under the Paris Accords will affect the longevity of the company's sunk and planned investments in Liquid Natural Gas infrastructure and the length of its carbon adjusted economic lifespan.~~

~~The report should also include discussion of cost overrun, delayed starting and future technology risks run by Liquid Natural Gas industry compared to competing energy technology (primarily sun and wind, the two most mature, low cost renewables).~~

The report should be produced at reasonable cost~~,~~ and omit proprietary information.

Exhibit D

From: Lisa Lynch
Sent: Monday, July 16, 2018 10:46 AM
To: ***
Subject: Response
Attachments: CEI - Shareholder Proposal - Taggart Letter executed.pdf

On the behalf of Sean N Markowitz

Attached is a copy of a response to your letter dated June 29, 2018. We have sent the original via Federal Express and it will arrive today before 5pm your time and does require a signature.
Regards,

Lisa M. Lynch
Lead Paralegal
Cheniere Energy, Inc.
700 Milam St., Suite 1900
Houston, TX 77002

CHENIERE

Cheniere Energy, Inc.
700 Milam Street, Suite 1900
Houston, Texas 77002
phone: 713.375.5000
fax: 713.375.6000

July 13, 2018

VIA ELECTRONIC MAIL AND FEDEX

Mr. Stewart Taggart
***

Re: Letter of June 29, 2018

Dear Mr. Taggart,

On behalf of Cheniere Energy, Inc. (the "Company" or "we"), I am writing in reference to your cover letter dated June 29, 2018 and accompanying shareholder proposal, both of which were received by the Company on July 2, 2018.

We are requesting information regarding your eligibility to submit your proposal. Unless it can be demonstrated within the proper time frame that you meet the ownership requirements of Rule 14a-8(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as described below, we will be entitled to and will consider excluding your proposal from the proxy materials for the Company's 2019 annual meeting.

Rule 14a-8(b)(1) provides that "[i]n 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." The date of submission of your proposal is the date the proposal is postmarked, which is June 29, 2018.

The Company's records do not indicate that you are currently a record holder of any shares of the Company's common stock. Accordingly, as explained in Rule 14a-8(b)(2) and guidance of the Securities and Exchange Commission (the "SEC"), you must prove eligibility as a shareholder of the Company by submitting either: (1) a written statement from the "record" holder of your shares verifying that, at the time you submitted the proposal, you had continuously held the requisite amount of shares for at least one year; or (2) a copy of a filed Schedule 13D, Schedule 13G, Form 3, Form 4, Form 5, 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, any subsequent amendments reporting a change in the ownership level and your written statement that you continuously held the required number of shares for the one-year period as of the date of the statement. In either case, you must also provide your written statement that you intend to continue ownership of the shares through the date of the company's meeting for which you plan to make the proposal.

To help shareholders comply with applicable requirements when submitting proof of ownership to companies, the SEC's Division of Corporation Finance published Staff Legal Bulletin No. 14F ("SLB 14F"), dated October 18, 2011, and Staff Legal Bulletin No. 14G ("SLB 14G"), dated October 16, 2012. SLB 14F and SLB 14G provide that for securities held through the Depository Trust Company ("DTC"), which is also known through the account name of Cede & Co., only DTC participants should be viewed as "record" holders of securities that are deposited at DTC. You can confirm whether your 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/client-center/dtc-directories. For your convenience, I have enclosed copies of Rule 14a-8, SLB 14F and SLB 14G.

If you hold shares through a bank or broker that is not a DTC participant, you will need to obtain proof of ownership from the DTC participant through which the bank or broker holds the shares. You should be able to find out the name of the DTC participant by asking your broker or bank. If the DTC participant that holds your shares knows your broker or bank's holdings, but does not know your holdings, you may satisfy the proof of ownership requirements by submitting two proof of ownership statements—one from your broker or bank confirming your ownership and the other from the DTC participant confirming the bank or broker's ownership. Please review SLB 14F carefully before submitting your proof of ownership to ensure that it is compliant.

You have provided a written statement from Pershing LLC that you hold, and have held continuously since June 8, 2017, 30 shares of a company that is not Cheniere Energy, Inc. As such, the statement from Pershing LLC that you have provided is not eligible documentation of any ownership you may have of shares of the Company. **Therefore, in accordance with Rule 14a-8(f)(1) under the Exchange Act, we hereby inform you that your proof of ownership information satisfying the requirements of Rule 14a-8 must be postmarked or transmitted electronically to us no later than 14 calendar days from the date of your receipt of this letter. You will also need to provide a written statement that you intend to continue ownership of the Company's shares through the date of the Company's next annual meeting.**

Pursuant to Rule 14a-8(f) under the Exchange Act, the Company will be entitled to exclude your proposal from its proxy materials if no such proof is provided in the required time frame. Please send any response to me at the following address:

Sean N. Markowitz
General Counsel & Corporate Secretary
Cheniere Corporate Headquarters
700 Milam St., Suite 1900
Houston, TX 77002

Alternatively, you may email your response to me at this email address: sean.markowitz@cheniere.com.

The Company has not yet completed its review of your proposal to determine whether the proposal complies with the other requirements for shareholder proposals found in Rules 14a-8 and 14a-9 under the Exchange Act, and reserves the right to take appropriate action to raise any further bases upon which your proposal may be properly excluded from the Company's proxy materials under such rules.

If I can be of any assistance, please contact me using the contact information provided above.

Sincerely,

Sean N. Markowitz
General Counsel & Corporate Secretary

cc: George Vlahakos, Sidley Austin LLP

Attachment

information after the termination of the solicitation.

(e) The security holder shall reimburse the reasonable expenses incurred by the registrant in performing the acts requested pursuant to paragraph (a) of this section.

NOTE 1 TO § 240.14A–7. Reasonably prompt methods of distribution to security holders may be used instead of mailing. If an alternative distribution method is chosen, the costs of that method should be considered where necessary rather than the costs of mailing.

NOTE 2 TO § 240.14A–7 When providing the information required by § 240.14a–7(a)(1)(i), if the registrant has received affirmative written or implied consent to delivery of a single copy of proxy materials to a shared address in accordance with § 240.14a–3(e)(1), it shall exclude from the number of record holders those to whom it does not have to deliver a separate proxy statement.

[57 FR 48292, Oct. 22, 1992, as amended at 59 FR 63684, Dec. 8, 1994; 61 FR 24657, May 15, 1996; 65 FR 65750, Nov. 2, 2000; 72 FR 4167, Jan. 29, 2007; 72 FR 42238, Aug. 1, 2007]

§ 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 antifraud 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]

§240.14a–9 False or misleading statements.

(a) No solicitation subject to this regulation shall be made by means of any proxy statement, form of proxy, notice of meeting or other communication, written or oral, containing any statement which, at the time and in the light of the circumstances under which it is made, is false or misleading with respect to any material fact, or which omits to state any material fact necessary in order to make the statements therein not false or misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of a proxy for the same meeting or subject matter which has become false or misleading.

(b) The fact that a proxy statement, form of proxy or other soliciting material has been filed with or examined by the Commission shall not be deemed a finding by the Commission that such material is accurate or complete or not false or misleading, or that the Commission has passed upon the merits of or approved any statement contained therein or any matter to be acted upon by security holders. No representation contrary to the foregoing shall be made.

(c) No nominee, nominating shareholder or nominating shareholder group, or any member thereof, shall cause to be included in a registrant's proxy materials, either pursuant to the Federal proxy rules, an applicable state or foreign law provision, or a registrant's governing documents as they relate to including shareholder nominees for director in a registrant's proxy materials, include in a notice on Schedule 14N (§240.14n–101), or include in any other related communication, any statement which, at the time and in the light of the circumstances under which it is made, is false or misleading with respect to any material fact, or which omits to state any material fact necessary in order to make the statements therein not false or misleading or necessary to correct any statement in any earlier communication with respect to a solicitation for the same meeting or subject matter which has become false or misleading.

NOTE: The following are some examples of what, depending upon particular facts and circumstances, may be misleading within the meaning of this section.

a. Predictions as to specific future market values.

b. Material which directly or indirectly impugns character, integrity or personal reputation, or directly or indirectly makes charges concerning improper, illegal or immoral conduct or associations, without factual foundation.

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.[16]

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

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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.

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[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

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Exhibit E

From: Stewart Taggart [mailto: ***]
Sent: Monday, July 16, 2018 12:16 PM
To: Lisa Lynch
Subject: [EXTERNAL] Re: Response

Lisa

Please see the attached.

In it, you'll see:

1. Pershing is DTC Participant with a DTC number 0443. Please advise if/why this is insufficient proof.

2**. Pershing confirms I hold Cheniere Energy Inc.**, which you refer to below using the same three words.

I attach **Pershing's letter, signed by Daniel Brunell V.P.**

I DO acknowledge, however, Daniel may not have been at his best. **He (or his assistant) dated it July 29, 2018**, a date that has yet to pass. But **I can't see how that's my fault. We all make mistakes.** Indeed, you seem to have made one by sending me an email this morning you later sought to withdraw.

So let's call it even...

I intend to hold my shares in Cheniere Energy Inc. up to and well beyond the 2019 Annual General Meeting of the company and look forward to a dialog with the company.

Could you please confirm receipt of this email and its contents?

Thanks!

If you hold shares through a bank or broker that is not a DTC participant, you will need to obtain proof of ownership from the DTC participant (SEE BELOW) through which the bank or broker holds the shares. You should be able to find out the name of the DTC participant by asking your broker or bank. If the DTC participant that holds your shares knows your broker or bank's holdings, but does not know your holdings, **you may satisfy the proof of ownership requirements by submitting two proof of ownership statements—one from your broker or bank confirming your ownership and the other from the DTC participant confirming the bank or broker's ownership.** Please review SLB 14F carefully before submitting your proof of ownership to ensure that it is compliant.
You have provided a written statement from Pershing LLC that you hold, and have held continuously since June 8, 2017, 30 shares of a company that is not Cheniere Energy, Inc (SEE BELOW) . As such, the statement from Pershing LLC that you have provided is not eligible documentation of any ownership you may have of shares of the Company.

Pershing

An affiliate of The Bank of New York

July 29, 2018

RE: STEWART WATERWORTH TAGGART & REBECCA WHITE TAGGART JT TEN,
THE STEWART W TAGGART & REBECCA W TAGGART JT REV TR UAD 08/29/17, STEWART WATERWORTH TAGGART & REBECCA WHITE TAGGART TTEES

To Whom It May Concern:

Pershing LLC is a DTC Participant with a DTC number of 0443. Pershing LLC carries the above referenced accounts for Stewart W. Taggart and Rebecca W. Taggart who, as Owners or Trustees, as of the date of this letter, hold and have held continuously since June 8, 2017, 70 shares of Cheniere Energy Inc. Common Stock.

Sincerely,

Authorized Signature

Daniel Brunell – V.P

(CRPAC4)

NYSE INC.

300 COLONIAL CENTER PARKWAY, LAKE MARY, FLORIDA 32746

Exhibit F

Stewart Taggart
***

July 17, 2018

Mr Sean N. Markowitz
Cheniere Energy Inc.
700 Milam St. Suite 1900
Houston, Texas 77002

email: ***

Mr.Markowitz

Regarding your letter to me of July 13.

As of June 29, 2018, I had held the required value of *Cheniere Energy* shares for 398 days, 21 days longer than the required 365. This is confirmed in the accompanying statement from my/our custody account holder *Essex Financial.* It is also is backed up by the letter we received from (DTC participant 0443) *Pershing,* which is part of the *Bank of New York.*

To dispel any doubt here, I downloaded DTC's participant list for which you most helpfully provided the URL. In the spreadsheet I found the below. You can easily locate it yourself if you download the file outlined in your letter.

DTC PARTICPANT REPORT (*Numerical Sort*)
Month Ending - April 30, 2018

NUMBER	PARTICIPANT ACCOUNT NAME
395	CITADEL CLEARING LLC
400 SERIES	
0408	LOMBARD ODIER TRANSATLANTIC, LIMITED PARTNERSHIP
0413	AMHERST PIERPONT SECURITIES LLC
0418	CITIGROUP GLOBAL MARKETS INC.
0419	STEPHENS INC.
0425	RBS SECURITIES INC.
0430	HOLD BROTHERS CAPITAL LLC
0436	ARCHIPELAGO SECURITIES, L.L.C.
0438	CIBC WORLD MARKETS CORP.
0443	**PERSHING LLC**
0445	STOCKCROSS FINANCIAL SERVICES, INC.
0448	NUVEEN SECURITIES, LLC

Since Pershing's confirmation of my holdings was transmitted to me by email, took ages to get and was up against a deadline for proving my share ownership, I had to overlook Pershing's wrong date (July 28 instead of, presumably, June 28) at the top of its confirmation letter.

To provide additional verfication regarding my *Cheniere Energy* shareholding and dates, below are records provided by *Essex Financial.* There, you'll see dates that conform to those of Pershing.

LNG		70.00	4,347.35
CHENIERE ENERGY I... 0AA109543	12:22 PM 07/17/2018	62.105	+78.05 +1.83%

DESCRIPTION
CHENIERE ENERGY INC COM NEW

ASSET CLASS	CUSIP	REINVESTMENT OPTIONS
Equity > Common Stock	**16411R208**	**Payout In Cash**

0AA109543 in USD — LNG CHENIERE ENERGY INC COM NEW

Details — Show

Tax Lots — Hide

OPENING TRADE DATE	QTY	MARKET VALUE	TOTAL COST	UNIT COST	UNREALIZED GAIN/LOSS	COVERED/NONCOVERED	TERM
06/08/2017	70	4,347.00	3,384.19	48.3455	962.81 28.45%	Covered	LONG

Opening Transaction	TRANSFER IN	Balance Type		Adjusted Trade Date	-
(Non)Covered	Covered	Trade Date	06/08/2017	TERM	LONG
Lot Status	Available	Settlement Date	11/30/2017	Long Term Date	06/09/2018
Current Quantity	70.00	Entry Date	12/01/2017	Estimated Current Yield	+0.00
Original Quantity	70.00	Amortization Yield		Estimated Annual Income	0.0
Original Principal	0.00			Date Of Death	
Original Total Cost	3,384.19			Date of Gift	
Original Adjusted Cost	3,384.19			Wash Sale Disallowance	-
Pool Factor	1.00			Amortization to Date	

Finally, in the second paragraph of the second page of your July 13 letter to me, you say I provided a written statement from Pershing specifying I own **30 shares** of a company that **IS NOT** *Cheniere Energy, Inc.*

This puzzles me for two reasons: number and name.

My statement from *Essex Financial* specifies I own **70** shares of ***Cheniere Energy Inc.,*** not 30 shares of an unspecified company in your letter identified only as being *not Cheniere Energy Inc.*

I also hereby attest and commit to holding the shares above until the next *Annual General Meeting* in 2019 (and for much longer than that).

For future communications, please know that from July 21-Sep 10 I will be on the road and unable to receive postal mail.

During that time, please contact me at ***

Sincerely,

Stewart Taggart

Pershing

An affiliate of The Bank of New York

July 29, 2018

RE: STEWART WATERWORTH TAGGART & REBECCA WHITE TAGGART JT TEN,
THE STEWART W TAGGART & REBECCA W TAGGART JT REV TR UAD 08/29/17, STEWART WATERWORTH TAGGART & REBECCA WHITE TAGGART TTEES

To Whom It May Concern:

Pershing LLC is a DTC Participant with a DTC number of 0443. Pershing LLC carries the above referenced accounts for Stewart W. Taggart and Rebecca W. Taggart who, as Owners or Trustees, as of the date of this letter, hold and have held continuously since June 8, 2017, 70 shares of Cheniere Energy Inc. Common Stock.

Sincerely,

Authorized Signature

Daniel Brunell – V.P.
***

300 COLONIAL CENTER PARKWAY, LAKE MARY, FLORIDA 32746

t
carbon-neutral
e shipping

ORIGIN ID:HNLA ***
STEWART TAGGART

***

***
UNITED STATES US

SHIP DATE: 18JUL18
ACTWGT: 0.20 LB
CAD: ***

BILL CREDIT CARD

TO **SEAN N. MARKOWITZ**
CHENIERE ENERGY INC.
700 MILAM ST STE 1900

HOUSTON TX 77002
(808) 439-4726 REF:
INV:
PO:
DEPT:
***

***

FRI - 20 JUL 4:30P
**** 2DAY ****

SH EIXA

77002
TX-US **IAH**

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envelope