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AMERICA • ASIA PACIFIC • EUROPE

February 25, 2021

VIA E-MAIL

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, NE
Washington, DC 20549
Shareholderproposals@sec.gov

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

Ladies and Gentlemen:

In a letter dated January 13, 2021 (the "No-Action Request"), we requested the staff of the Division of Corporation Finance (the "Staff") concur that our client, Cheniere Energy, Inc. (the "Company") could exclude from its proxy statement and form of proxy for its 2021 Annual Meeting of Shareholders (the "2021 Proxy Materials") a shareholder proposal dated May 22, 2020 (the "Original Proposal") and a revised shareholder proposal dated July 28, 2020 (collectively with the Original Proposal and the supporting statements respectively provided therewith, the "Proposals") received from Stewart Taggart (the "Proponent").

On February 24, 2021, the Company received an email from the Proponent with a copy of the letter that the Proponent emailed to the Staff on January 20, 2021 regarding the No-Action Request (the "Proponent's Letter"). The email and the Proponent's Letter are attached hereto as **Exhibit A**. The Proponent's Letter addresses the Company's intent to exclude the Proposals from its 2021 Proxy Materials.

The Proponent's Letter does not dispute the facts of the matter or offer any alternative interpretations of the application of Rule 14a-8 to these facts apart from questioning longstanding interpretations and practices of the Staff related to Rule 14a-8. Most notably, the Proponent's Letter does not dispute that the Proponent failed to provide requisite proof of continuous stock ownership in response to the Company's proper request for that information pursuant to Rule 14a-8(b). On the contrary, the Proponent acknowledges his "failure to confirm ownership" and concedes that, had "arcane custody issues been easier to work out," among other things, then "the proponent could have presented the required proof in the required amount of time" (Proponent's Letter at pages 3–4).

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Given these aspects of the Proponent's Letter, we do not provide further rebuttal arguments in this letter and we respectfully refer the Staff to the Company's arguments as made in the No-Action Request.

We thank the Staff for its attention to this matter. If you have any questions, 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

Attachment

cc: Sean N. Markowitz
Executive Vice President, Chief Legal Officer and Corporate Secretary
Cheniere Energy, Inc.

Leonard Wood
Sidley Austin LLP

Stewart Taggart

EXHIBIT A

***

From: Stewart Taggart
Sent: Wednesday, February 24, 2021 3:31 PM
To: Wood, Leonard
Subject: Re: Cheniere Energy, Inc. No-Action Request Letter
Attachments: 210120_Taggart_Cheniere_Responses_Final.pdf

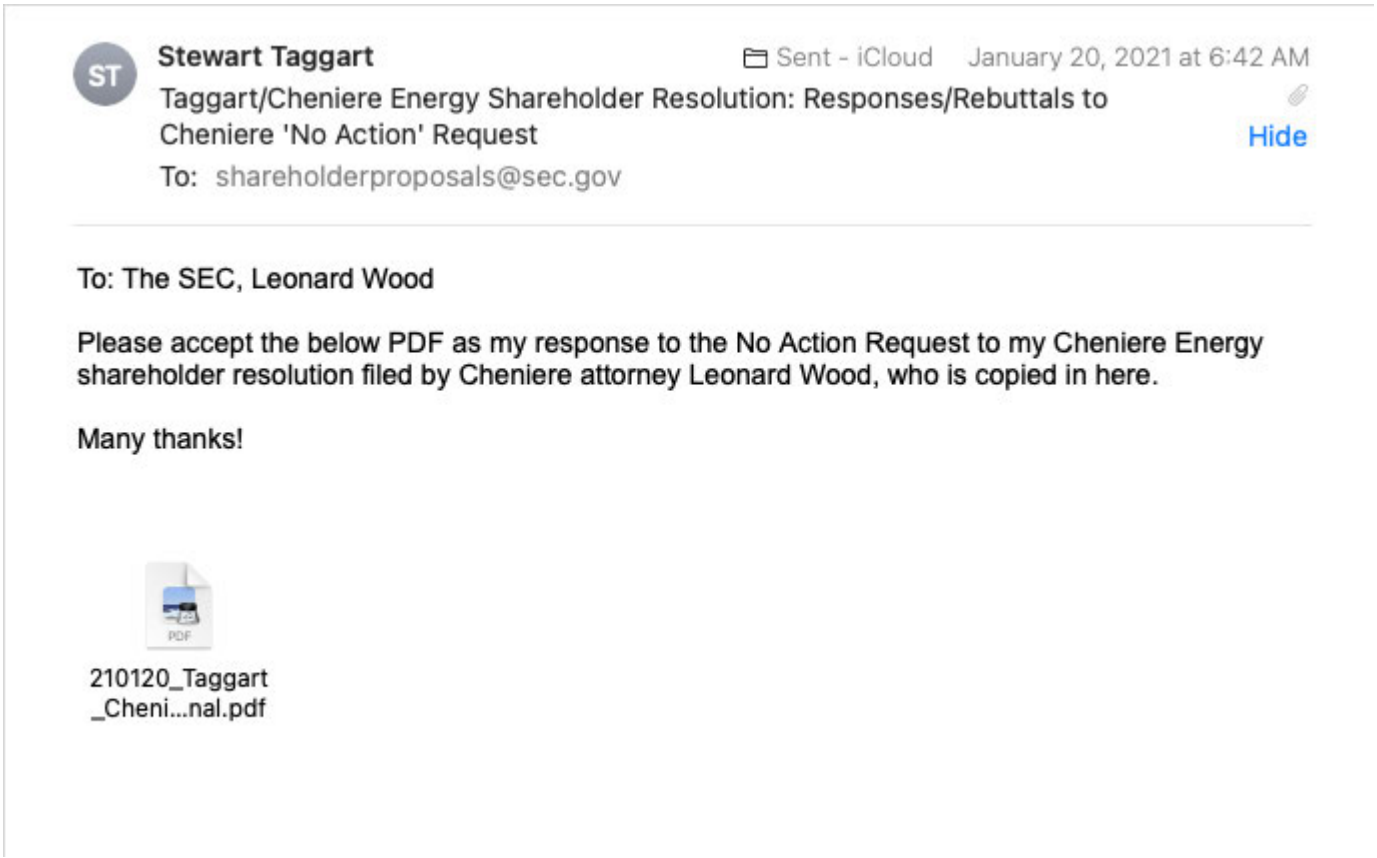
Mr. Wood,

Apologies. A double oversight on my part.

I forgot to send you a copy on your own, and I also forgot to copy you in on my response to the SEC that I sent Jan 20 (and neglected to date).

My mistake. Thanks for following up and, again, apologies. It no doubt puts you under the gun to make a response through no fault of your own.

Sorry!



On Feb 24, 2021, at 10:33 AM, Wood, Leonard <lwood@sidley.com> wrote:

Mr. Taggart,

Please see below an email that has been sent to the SEC on behalf of Cheniere Energy, Inc.

Thank you,

Leonard Wood

LEONARD WOOD
Associate

SIDLEY AUSTIN LLP
+1 713 495 4679
lwood@sidley.com

From: Wood, Leonard
Sent: Wednesday, February 24, 2021 1:37 PM
To: 'shareholderproposals@sec.gov' <shareholderproposals@sec.gov>
Cc: 'Sean Markowitz' <Sean.Markowitz@cheniere.com>; Vlahakos, George J. <gvlahakos@sidley.com>
Subject: RE: Cheniere Energy, Inc. No-Action Request Letter

Ladies and Gentlemen,

[REDACTED]

Additionally, we would like to take this opportunity to note that, on January 14, 2021, Mr. Taggart forwarded to Cheniere a copy of an email that he sent to the Staff on the same date, stating that he intended to send to the Staff a response to Cheniere's no-action request within a week. Since that time, Cheniere has not received any further correspondence, or copies of correspondence to the Staff, from Mr. Taggart. Cheniere previously advised Mr. Taggart, by copy of its no-action request, that he should furnish any such correspondence to Cheniere, pursuant to Rule 14a-8(k) and related guidance of the Staff. Cheniere would appreciate being made aware of any additional correspondence that Mr. Taggart has sent to the Staff since January 14, 2021.

Thank you,

Leonard Wood

LEONARD WOOD
Associate

SIDLEY AUSTIN LLP
+1 713 495 4679
lwood@sidley.com

Stewart Taggart
Cheniere Shareholder
***

U.S. *Securities and Exchange Commission* Division of Corporation Finance
Office of Chief Counsel
100 F Street, NE
Washington, DC 20549 Shareholderproposals@sec.gov
Re: *Cheniere Energy, Inc.*
Shareholder Proposals of Stewart Taggart
Securities Exchange Act of 1934—Rule 14a-8

Ladies and Gentlemen:

This letter is to inform you *Cheniere Energy, Inc.* shareholder Stewart Taggart wishes to lodge the below responses with the *Securities and Exchange Commission* in response to *Cheniere's* intention to omit the shareholder resolution from *Cheniere's* proxy statement and form of proxy in advance of its 2021 Annual Meeting of Shareholders.

The responses are numbered, summarized and elaborated below:

#1: ORIGINAL PROPOSAL/REVISED PROPOSAL

The Proposals May Be Excluded Under Rule 14a-8(b) And Rule 14a-8(f)(1) Because The Proponent Failed To Establish The Requisite Eligibility To Submit The Proposals

THE ORIGINAL PROPOSAL
"prepare a report outlining the business case and **premature write down risk** for the global Liquid Natural Gas trade under a **range of rising carbon price scenarios** . . . applied to the life-cycle emissions . . . of the company's natural gas assets."
THE 'REVISED' PROPOSAL
"prepare a report discussing **price, amortization and obsolescence risk** to existing and planned Liquid Natural Gas capital investments posed by **carbon emissions reductions of 50% or higher** applied to Scope Two and Scope Three emissions by 2030 . . . as well as 'net zero' emissions targets by 2050."

Points:
1. 'Price, amortization and write down risk' are more precise subsets of 'premature write down risk' and thus helpful, delineating elements of the same things. Absent the revised detail, *Cheniere* could have argued the resolution was excessively vague and lacking detail.
2. "Carbon emissions reductions of 50% or higher' is also a narrowing of the phrase 'Range of rising carbon price scenarios.' The aim was to provide additional clarity and focus.

The two are the same. One is simply more granulated than the other to provide ease of answering by the company and to avoid flip side arguments of excessive vagueness -- a reasonable goal wholly retaining the substance of the original.

#2: SHAREHOLDER ELIGIBILITY

The Proposals May Be Excluded Under Rule 14a-8(b) And Rule 14a-8(f)(1) Because The Proponent Failed To Establish The Requisite Eligibility To Submit The Proposals

The shareholder's underlying eligibility to file a resolution to engage management **is not in doubt. The shareholder *has held the shares for the required period, continues to hold them and will continue***

to hold them to encourage constructive and detailed dialog with management over its future carbon and evolving 'social license' corporate challenges.

The issue involves complicated upstream custody plumbing that, until and unless they file a shareholder resolution, investors have no need to know.

Investors should thus be provided some leeway if investor participation in corporate management -- including the filing of corporate resolutions providing constructive challenges to corporate thinking -- is the aim.

Markets are evolving, often in invisible but beneficial ways for shareholders (such as through presumably lower cost, more technologically-efficient omnibus holding). As a result, this investor only learned of omnibus custody due to a change in financial institutions where he holds shares.

If share proof rules change each time an investor changes financial institutions (given different innovations by different companies), it can put sand in the gears of investor-management dialogue, potentially lessening innovation and competitiveness.

In this case, timely confirmation of required share holding was slowed by a runaround regarding the confirming entity requiring a new, different and unfamiliar effort compared to that of his old institution.

While everyone can appreciate financial innovation's added efficiencies, they *do* create complexities when investors are told (as in this case) they must get confirmation directly from a *Depository Trust Corp.* (*DTC)* participant -- but then advised the *DTC* participant can't provide the confirmation due to an omnibus structure -- which sends the confirmation back to the retail organization to take word of the *DTC* participant it holds the shares because the *DTC* participant itself says it can't be entirely sure (!).

That is the key verification issue here. It begs greater *SEC* clarity.

In sum, we appear to have three institutions (the *SEC*, *JP Morgan* and *Fiduciary Trust (FTCI*) whose positions don't line up regarding ownership verification requirements. In the end, the organization with primary visibility over the account (*FTCI*) was able to verify the proponent's ownership of the shares which, under the particular custody structure used, ended up being the only entity apparently able to do so with full confidence.

#3: The Revised Proposal May Be Excluded Because It Violates The "One Proposal" Limitation Of Rule 14a-8(c)

The problem was caused by differing interpretations of share holding verification rules only the *Securities and Exchange Commission* can clarify. This is needed so it doesn't become a future impediment.

In this case, the shareholder needed to submit the same proposal a second time due to what look like endless loop rules applying to verification of share holding arrangements in omnibus structures used by third party custodians.

Given this, the one proposal rule could better be interpreted as '*one proposal on one subject*,' not second submissions of the one proposal in the same year intended to meet changing upstream custody arrangements by retail investment outfits he/she patronizes.

In seeking shareholder verification documentation, the proponent sought it from his retail institution, *Fiduciary Trust,* which in turn uses *JP Morgan* for *DTC* custody. *JP Morgan*, however, advised *FTCI* after I filed my resolution *JP Morgan* uses an 'omnibus structure' rendering it impossible for *JP Morgan* to confirm individual share holdings.

If upstream *JP Morgan* can't confirm individual share holdings, and the *SEC* won't accept share holding confirmation exclusively from downstream, retail-facing *Fiduciary Trust* -- what's a proponent to do?

In its response to me, the *SEC* wrote:

SLB 14F. SLB 14F further provides that:
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.*

In my case, however, *JP Morgan* told *Fiduciary* that *JP Morgan* can't, for technical reasons, confirm *anyone's* individual ownership of shares due to its omnibus structure because the omnibus structure prevents even *JP Morgan* from seeing them (which may be good from a security standpoint, thus understandable).

But that, in turn, doesn't seem to conform to requirements of *SLB 14F* rendering *JP Morgan* responsible for confirming *FTCI's* ownership of omnibus structure-held shares held by *JP Morgan* that *JP Morgan* says it can't see.

Absent clarification, it appears impossible to file again in the future as long as this ambiguity exists. The *SEC* can help here.

If the *SEC* accepts the proponent's position his failure to confirm ownership was due to an upstream interpretation of shareholder proof requirements, it eliminates a claimed basis to exclude.

The only solution I see is for *FTCI* to confirm *JP Morgan* as upstream custodian with a statement from *JP Morgan* all its holdings are in an omnibus structure preventing individual identification of either holder or company stock, stating only the downstream customer-facing entity (in this case, *FTCI*) can do -- which is what I did.

In *SLB 14F*, the *SEC* says:

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.***

#4: DEMONSTRABLE INTEREST TO SHAREHOLDERS

On its first outing last year, this resolution garnered a 27% *Cheniere* shareholder vote in favor. That's nearly 10 times the previous three percent required to refile and more than five times the *SEC's* recently upwardly-revised five percent -- an impressive show against even the new and stiffened requirements.[1]

It clearly demonstrates strong interest and support among *Cheniere* investors and their concern about limiting economically destructive climate change and *Cheniere's* contribution to it. The vote strongly backed improved efforts by LNG market participant *Cheniere* to better explain how it plans to tackle this challenge apart from its reflexive short-hand answer: 'LNG is part of the solution.'

The vote strongly demonstrated shareholders welcome opportunities such as the proponent's shareholder resolution to signal such views to management and emphasize management's need to more deeply engage on climate change. To date, I've found *Cheniere* cordial but unforthcoming regarding company-investor dialogue on this.

Ongoing annual expressions of shareholder sentiment can encourage *Cheniere* to provide greater

1 "SEC Rule Changes Will Hobble ESG Investors," *Barrons,* April 24, 2020

granulation to shareholders regarding *Cheniere's* efforts to manage emissions and reach challenging mid-century net-zero carbon emission reduction/elimination goals.

To date, however, the best investors get out of *Cheniere* are platitudes such as 'LNG is part of the solution.' Efforts to get more prove fruitless. This led to my shareholder resolution an impressively large percentage of fellow *Cheniere* investors support.

As it happens, much of **the information sought** (*Scope Three* emissions priced at reasonable social value proxies) **is already in the public domain --** eliminating 'propriety information' arguments.

In short: we already *know* the answers to the questions posed (see *US Energy Department* chart below). What we *don't know* (and need and deserve to, as company owners) is ***Cheniere's* plan for dealing with the implications** of this for its **existing fixed investments** in LNG and **that investment's longevity.**

And that, in turn**,** has big **implications for the net present value of *Cheniere*** which investors must handicap in considering whether to buy, hold or sell *Cheniere* stock-- making it highly relevant.

Climate change is shaping up as a defining issue of the next 30 years. Country after country is now committing to mid-century net zero goals. This will limit future markets for LNG absent offsets or as-yet unspecified emission-cancelling 'magic bullets.'[2]

Meanwhile, competing renewable energy continues to relentlessly fall in price with no end in sight.

At present, investment continues to flow into Liquid Natural Gas investments predicated on up to half-century future operating life spans. That means new LNG capacity coming on line by the late 2020s-early 2030s could operate to 2070 and beyond. That's *two decades* past mid-century net zero targets.

This shareholder resolution, therefore, poses important questions about longevity assumptions currently baked into planned and legacy LNG industry capital investment. It seeks defense by LNG companies of such assumptions based upon clear and continuing downward price strides in renewable energy led by wind, solar and improving storage technology and likely upward movement in implicit or explicit negative carbon values.

These negative carbon values present existential threats to the currently presumed near perpetual life spans of existing and planned LNG capacity, and the uncertainties clearly concern shareholders. Evidence: the 27% vote in favor (on first submission) of the proponent's shareholder resolution on this subject last year seeking greater analysis and justification for running this risk by *Cheniere* management to its shareholders.

#5: THE 'ONE PROPOSAL' RULE

• the Proposals may be excluded from the 2021 Proxy Materials pursuant to Rule 14a-8(b) and Rule 14a-8(f)(1) because the Proponent failed to provide the requisite proof of continuous stock ownership in response to the Company's proper request for that information;1 and
• to the extent that the Revised Proposal constitutes a separate proposal, the Revised Proposal may also be excluded from the 2021 Proxy Materials pursuant to Rule 14a-8(c) because it violates the "one proposal" limitation.

Had the unexpected, clearly arcane custody issues been easier to work out within the tight frame AND the true share ownership confirming organization clear, the proponent could have presented the required proof in the required amount of time.

In this instance, a three-institution *(SEC, FTCI* and *JP Morgan*) framework coupled with short confirmation deadline imposed on a resolution filed months ago presents a high hurdle to a filer, particularly an individual investor one.

Given individual investors can offer valuable contrary thinking to markets, increased clarity here is a boon.

2 "Europe Drops Another Project to Buy U.S. LNG in Green Push," *Bloomberg, Jan 15, 2021*

It's also important to note the 'revised' proposal made only small alterations to the original. Further, when resolutions are submitted far in advance as the proponent did with his proposal this year, such alterations create little/no inconvenience to the corporate or the *SEC* -- since both need only opine once on the final product.

#6: THE *SEC* CARES ABOUT BOTH CLIMATE CHANGE AND CONTRARY VOICES

The *Securities and Exchange Commission* has made it unmistakably clear it will consider climate change considerations in future decisions. It notes investors (like me) take this increasingly seriously, and the *SEC* intends to support these efforts.

Evidence comes from comments made over the past year by *Commissioner Alison Herren Lee:*

*"There is certainly evidence that **climate risks are currently underpriced,** particularly with respect to **long-dated assets,** utilities, commercial mortgage-backed securities, and potentially municipal bonds, among others. Underpricing can lead to abrupt and **disruptive re-pricing** as markets discover the anomalies. This reckoning could be triggered by **massive climate-related events** or significant changes in legal requirements that can render assets and even business models obsolete in a very short time frame.*

The above is just what my resolution seeks: increased clarity from *Cheniere* of its views on the risk of future 'disruptive re-pricing' of its company shares caused by 'massive climate-related events' its product (LNG) increases the odds of occurring.

Stated differently, the resolution seeks explanation by *Cheniere* of its potential underpricing of climate risk in its business model. The issue can't be summed up more simply than that.

Commissioner Lee also indicates *SEC* support for expanded Scope Three emissions reporting sitting at the core of my resolution.

*"The SEC should **work with market participants** toward a disclosure regime specifically tailored to ensure that financial institutions produce standardized, comparable, and reliable disclosure of their exposure to climate risks, including **not just direct, but also indirect, greenhouse gas emissions** associated with the financing they provide, referred to as Scope 3 emissions. **There is a concentration of risk in the financial sector that is not readily ascertainable except through Scope 3 emission disclosures."***
"Playing the Long Game: The Intersection of Climate Change Risk and Financial Regulation," *SEC Website, November 25, 2020*

The commissioner then goes on in the same speech to make the case for my resolution for me (!) :

***"Investors are** overwhelmingly **telling us,** through comment letters and petitions for rule making, that they need **consistent, reliable, and comparable disclosures of the risks and opportunities related to sustainability measures, particularly climate risk.** Investors have been clear that **this information is material to their decision-making** process, and a growing body of research confirms that."*

The *SEC* also has helpfully provided information like the below to prepare market participants for the kinds of disclosure that may increasingly be warranted. In this shareholder's view, *Cheniere* faces climate related risk triggering required disclosure in all four categories below:

Climate Related Risks Potentially Triggering Disclosure Rules

Table 1: Categories of Climate-Related Risks Identified by the Securities and Exchange Commission and Examples of How They Could Trigger Disclosure Rules

Category of climate-related risk	Definition	Examples
Legislation and regulation	Pending or existing regulations or legislation related to climate change at all levels of government.	Companies could face costs to improve facilities and equipment to reduce emissions to comply with regulatory limits; or to purchase, or profit from the sale of, allowances or credits under a "cap and trade" system.[a]
International accords	Treaties or international accords relating to climate change.	The European Union Emissions Trading System could have a material impact on a company's business,[b] which could potentially be the same as the impact from U.S. climate change legislation and regulation.
Indirect consequences of regulation or business trends	New opportunities or risks created by legal, technological, political, or scientific developments related to climate change.	Companies may face decreased demand for goods that produce significant greenhouse gas emissions and may face potential adverse consequences to business operations or financial condition, from the public's perception of publicly-available data about their greenhouse gas emissions.
Physical impacts	Significant physical effects of climate change such as severity of storms, sea levels, and water availability.	Severe weather could cause property damage and disruptions to operations for companies with operations concentrated on coastlines. It could also cause indirect financial and operational impacts from disrupting the operations of major customers or suppliers.

Source: Securities and Exchange Commission. | GAO-18-188

Source: US Securities and Exchange Commission

#7: AS SHAREHOLDER MEETINGS GO VIRTUAL, RESOLUTIONS GAIN IN IMPORTANCE

Deprived of personal contact with management, corporate resolutions may unfortunately increasingly become investors' primary means of getting management attention and getting top executives on the record of subjects of concern to shareholders. *Cheniere* might be cited as an example. Last year, *Cheniere* held an all-virtual *Annual General Meeting,* due to CV19 (a decision this shareholder supports).

While everything (to the company's credit!) worked well technically during the *AGM* (all investors appeared able to log on and the sound was good although no visuals could be presented), the entire meeting ran a highly expeditious *13 minutes.*

Given this, my three-minute address to shareholders seeking support for my resolution amounted to roughly a quarter of the time of the entire *Annual General Meeting* (!).

A 13-minute *Annual General Meeting* can't be considered a stellar effort by management to engage shareholders with management in any real-time interaction. The *Wall Street Journal* also took an interest took an interest in this phenomenon, quoting me in a story about virtual AGMs.[3]

#8: THE BIDEN ADMINISTRATION

According to the *Wall Street Journal*, US President Joe Biden's likely pick to head the *Securities and Exchange Commission,* Gary Gensler, may increase emphasis on climate issues. [4]

The *Wall Street Journal* says Gensler's approach may include:***"Combating climate change*** *and racial injustice, forcing more transparency around corporate political spending and* ***tilting the balance of power***

3 "Shareholders Feel Muted as Companies Switch to Virtual Annual Meetings, *Wall Street Journal, Aug 23, 2020)*

4 "An Old Foe of Banks Could Be Wall Street's New Top Cop," *Wall Street Journal, Jan 16, 2021*

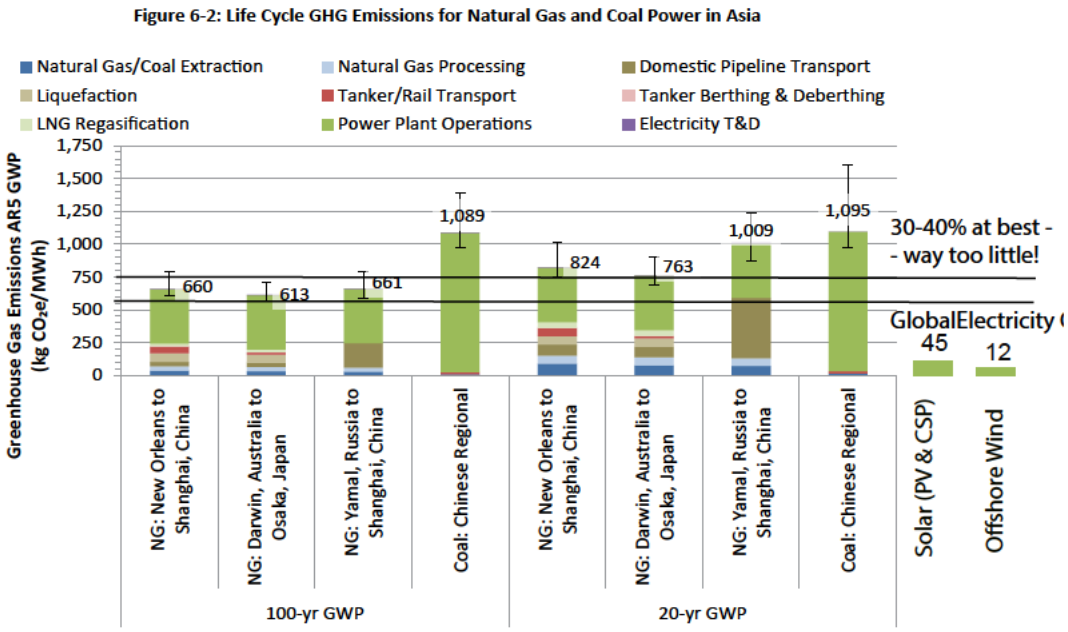
*from executives to workers and **small investors.”***

If so, companies involved in the LNG industry (like *Cheniere*) may/will be called upon in the future by the *SEC* to provide more detail regarding how they plan to handle *Scope Three* carbon emissions beyond the current, evasive universal platitude: “LNG is part of the solution.”

#9: HELPFUL CHARTS

The *US Department of Energy* has produced a helpful nutshell chart that illustrates Liquid Natural Gas’s carbon conundrum. The Scope Three emissions of Liquid Natural Gas, by pretty much universal agreement, amount to something around 660 kilograms of carbon per megawatt-hour equivalent (Mwhe) of electricity generated for retail consumption (to cite one downstream use).

LNG Life Cycle Greenhouse Gas Emissions



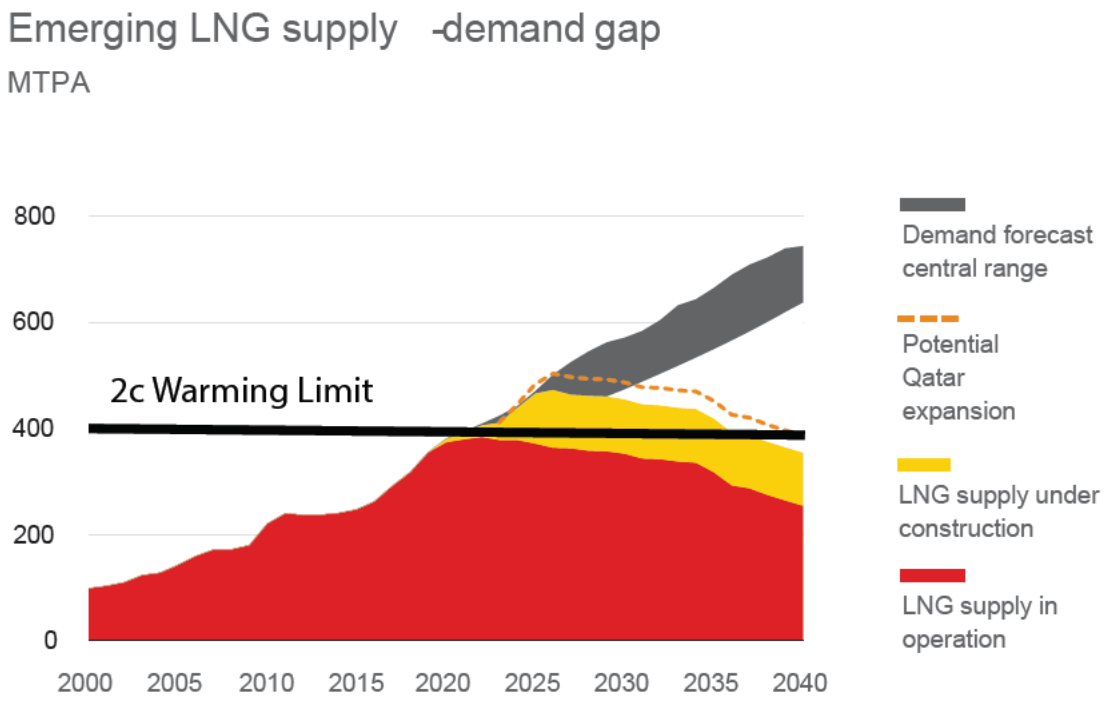
The US Department of Energy estimates life-cycle emissions of natural gas shipped to market as LNG as only marginally lower than coal.
Source: “Life Cycle Greenhouse Gas Perspective On Exporting Liquefied Natural Gas From the United States, 2014,” US Department of Energy;
“Life Cycle Assessment Harmonization,” US National Renewable Energy Laboratory, 2013

Solar energy (photovoltaics, mostly) emits 45 kg (Mwhe), wind 12 kg (Mwhe). Increasingly, the market will price such emissions differentials into preference matrices in a race mature LNG is unlikely to win against *still* continuously falling wind and solar prices.

For its part, the LNG industry avoids these comparisons. Instead, it puts out rosy future expansion

expectations of LNG as an important future fuel.

Global Forecast LNG Capacity Additions to 2040



Global oil major Shell anticipates aggressive growth in LNG trade out at least to 2035.
Source: Shell Outlook 2020

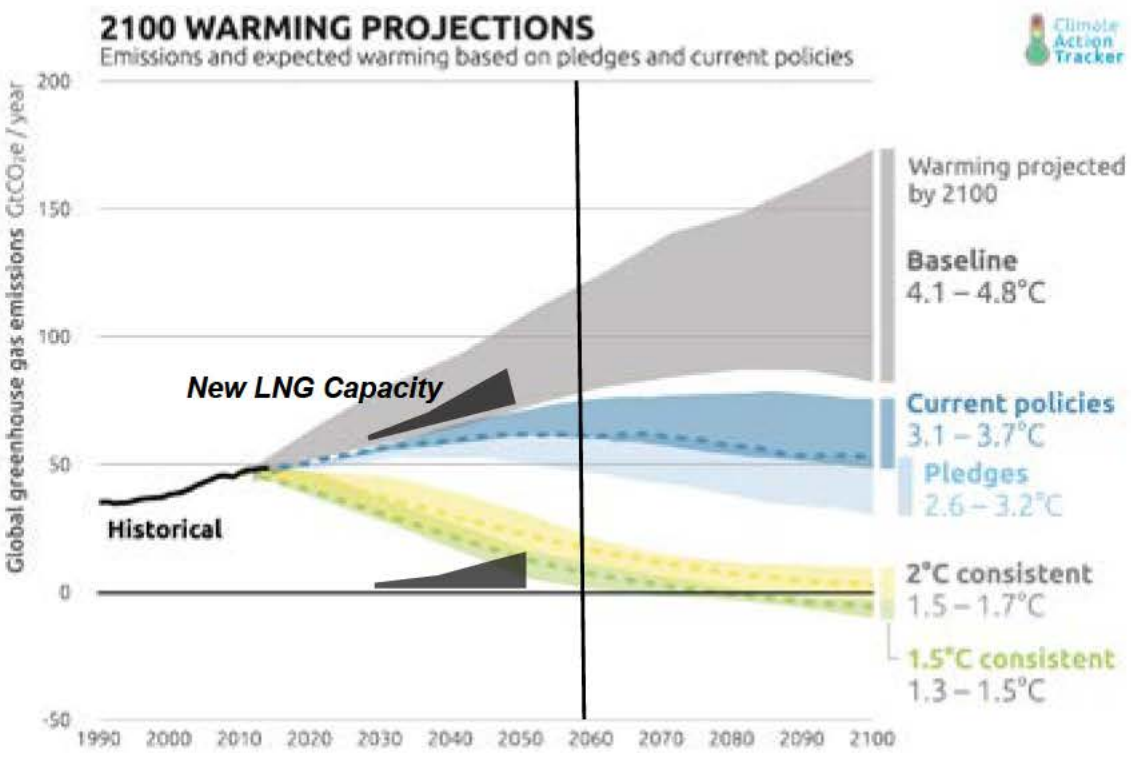
But this ignores how new LNG capital investment has little chance of successfully competing throughout a hypothetical 40-year amortization period in markets characterized by rising implicit or explicit carbon prices and relentlessly falling (with no end in sight) renewable energy prices led by wind and solar.

But if the above expansion of LNG capacity takes place, with new infrastructure coming on line between, say, 2030-2040, all of which with nominal 40-year life spans, one can imagine a rather frighteningly binary future climate scenario -- with both outcomes bad.

If the headlong expansion envisaged by the LNG industry occurs, absent draconian cuts elsewhere for which there no sign of a social bargain, it will propel the world to emissions of potentially 60 billions of carbon equivalent per year. On the flip side, should ALL other energy producers agree to draconian cuts to

make way for unfettered LNG expansion, LNG's Scope Three emissions may amount to nearly a third of global emissions. However, to date there is little or no sign to date all other emitters plan to sign on to self-destruction in order to defer to LNG's carbon primacy.

2100 Global Warming Projections



Proposed Liquid Natural Gas capacity expansions over the next 15 years -- should they occur -- would generate enough carbon to drive global temperature rises well into the 4C range.
Conversely, if LNG capacity expands without constraint (as the industry expects) with the burden of global carbon emission reduction falling exclusively on all other sectors, LNG's global Scope Three emissions will account for nearly a quarter of dramatically-reduced global emissions.
That scenario -- however, -- requires heroic assumptions regarding an unconditional 'social license' for the global LNG industry, with adjustment wholly undertaken by all other emitters in deference to LNG.
Source: Climate Action Tracker

#10: COULD LNG BECOME UNECONOMIC BY 2030?

Liquid Natural Gas is a mature technology with Scope Three carbon emissions 40% lower than coal but 16 *times* higher than solar and 55 *times* higher than wind, as per the page seven graphic.

If those emissions differentials are priced (at a $40 per tonne *US Social Cost*, say) and applied to the Scope Three numbers on page seven, 'carbon weightings' can be used to judge relative 'carbon-load costs' of coal, LNG, solar and wind.

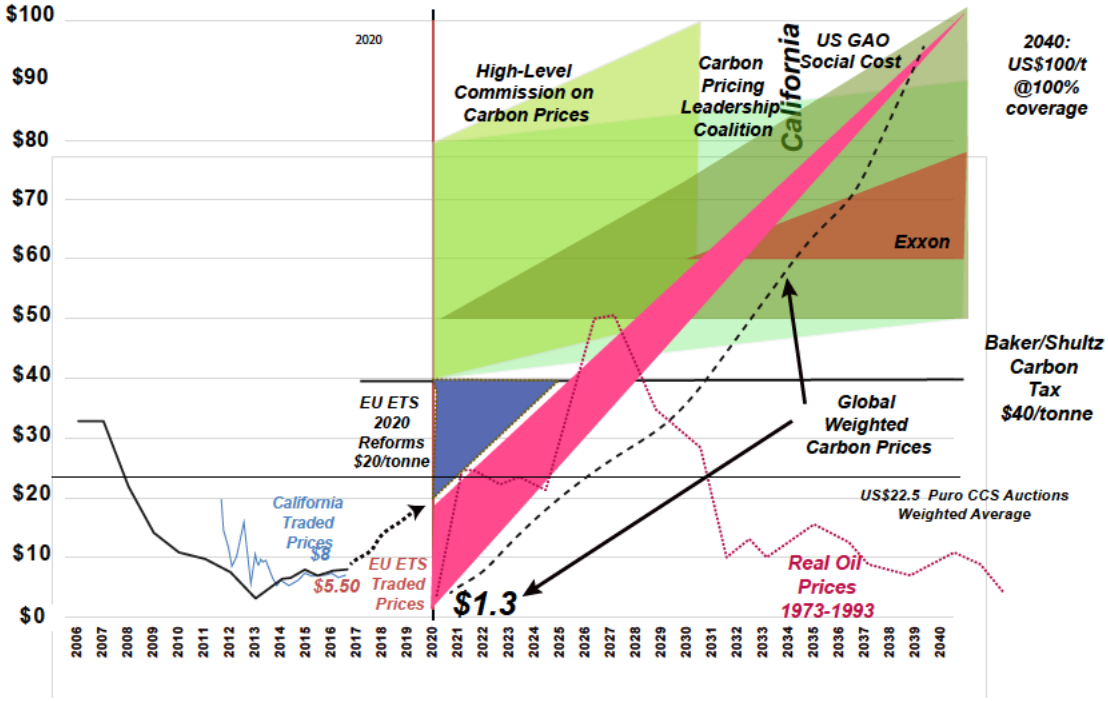
Given solar and wind have *Scope Three* carbon emissions 90%+ lower than *Scope Three* LNG, applying $40 carbon prices to those *Scope Three* differentials adds ~2.6c per kilowatt-hour to overall LNG electricity costs and a pittance to overall solar and wind costs.

Scope 3 Emissions tonnes/mwhe	$40/Tonnes Carbon Price	USc/ kwh
0.9	Coal Scope 3/mwh	3.6c
0.66	LNG Scope 3/mwh	2.6c
0.045	Solar Scope 3/mwh	.016c
0.01	Wind Scope 3/mwh	0.04c

The upshot of these figures is that reasonable forward upward projections in carbon levies *may,* within a decade or two, be greater than the entire retail price of the LNG-produced electricity in consuming markets based upon reasonable forward carbon price forecasts and increasing commitments by countries to meet mid-century net zero goals. And that, in turn, still involves using variables favorable to LNG.

For their part, as below, organizations ranging from the *High-Level Commission on Carbon Prices*, the *Carbon Pricing Leadership Coalition, Exxon* and the state of California all project, estimate or judge plain guess at future carbon prices (implicit or explicit) of $70-100 per tonne by 2040.

Projected/Anticipated Carbon Prices From Respected Sources



Traded carbon prices range from around $3 to $20. European reforms aim for $20+ by 2020. Experts estimate $40 now and $100+ later are what's needed. Weighted global carbon prices linger around $1.3 per tonne.
Sources: High-Level Commission on Carbon Prices, US General Accounting Office, Exxon, Baker-Shultz Carbon Tax plan, International Energy Agency, state of California, European Union Emissions Trading Scheme.

The question thus becomes: how might *Cheniere* make money by mid-century from a product whose implicit carbon costs approach (or possibly exceed) its sale costs?

One way, of course, is to work hard to ensure carbon costs are never applied. Another is to deny carbon emissions are occurring, claim they are minimal, or selectively count them.

The 25% vote in favor of my resolution last year indicates shareholders seek greater granulation of this micro-economic carbon conundrum from *Cheniere*'s management, where the answer to date has always and exclusively been some variant of 'Liquid Natural Gas is part of the solution.'

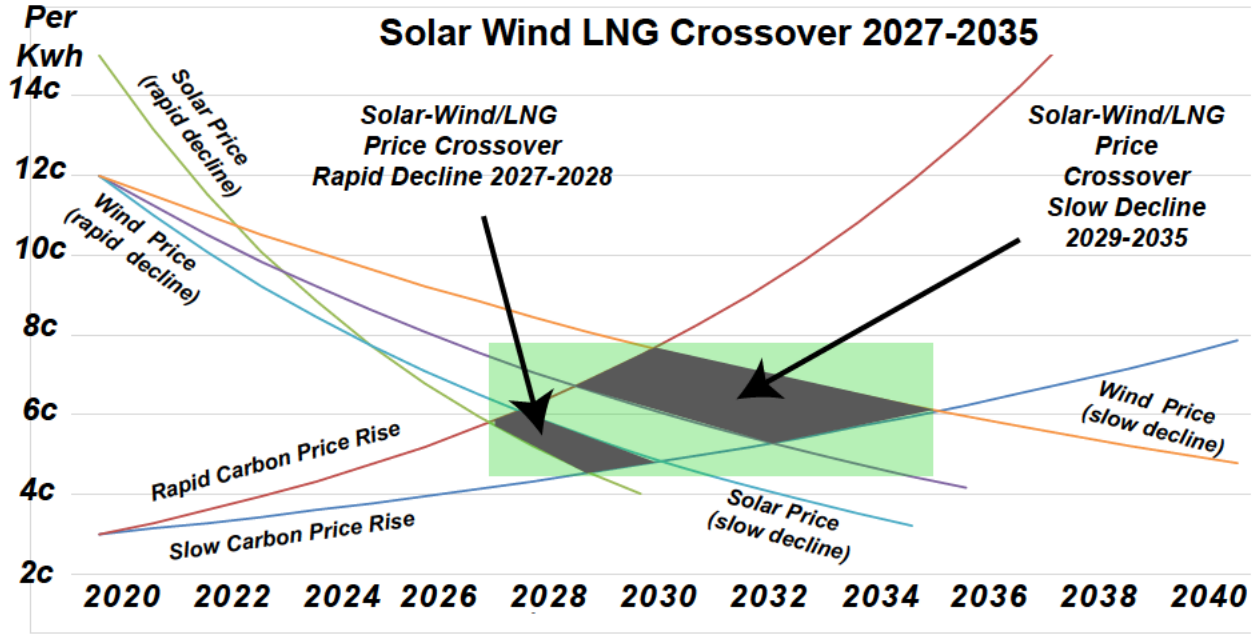
If so, shareholders deserve and have a right to more elaboration from management..

Bundling all this together points suggests two potential boundary outcomes. The first is no carbon pricing and an LNG industry that expands without constraint with high capital investment in new capacity during the 2020s that comes on line around 2030.

If all this new capacity stays online for a reasonable 40-year amortization period to 2070 (or so), the associated greenhouse gas emissions would under current scientific models be sufficient (absent draconian cuts by all other Earthly emitters) to put the world on track for somewhere around 60 billion tonnes of carbon emissions by 2030.

The other scenario can be visually explained in the graphic below, which seeks to analyze multiple outcomes of fast and slow future decreases in wind and solar, coupled with fast and slow rises in implicit or explicit carbon prices.

Solar-Wind-LNG Price Crossover: 2027-2035



The crossover price of Liquid Natural Gas, solar and wind will happen as early as 2027 and as late as 2035. This is based on downward prices for solar and wind (both slow and fast) and rising trend costs for LNG (based upon hypothetical carbon price rises of 5% and 10% per year). The result in either case is a likely stranding of LNG investments.

Sources: Bloomberg New Energy Finance, US General Accounting Office, World Bank, US Energy Information Administration, Carbon Pulse, Synapse, ICIS, Point Carbon

The exercise suggests a 'fast crossover' of renewables vs. LNG prices (measured on per kilowatthour basis) by the late 2020s with a slow crossover occurring sometime between 2029-2035.

To maintain confidence in LNG investments that may not even come on line until the late 2020s, with a 40-year amortization to 2070 and beyond, investor need to know more.

Sincerely,

Stewart Taggart

Stewart Taggart
Cheniere Shareholder
***

U.S. *Securities and Exchange Commission* Division of Corporation Finance
Office of Chief Counsel
100 F Street, NE
Washington, DC 20549 Shareholderproposals@sec.gov
Re: *Cheniere Energy, Inc.*
Shareholder Proposals of Stewart Taggart
Securities Exchange Act of 1934—Rule 14a-8

Ladies and Gentlemen:

This letter is to inform you *Cheniere Energy, Inc.* shareholder Stewart Taggart wishes to lodge the below responses with the *Securities and Exchange Commission* in response to *Cheniere's* intention to omit the shareholder resolution from *Cheniere's* proxy statement and form of proxy in advance of its 2021 Annual Meeting of Shareholders.

The responses are numbered, summarized and elaborated below:

#1: ORIGINAL PROPOSAL/REVISED PROPOSAL

The Proposals May Be Excluded Under Rule 14a-8(b) And Rule 14a-8(f)(1) Because The Proponent Failed To Establish The Requisite Eligibility To Submit The Proposals

THE ORIGINAL PROPOSAL
"prepare a report outlining the business case and **premature write down risk** for the global Liquid Natural Gas trade under a **range of rising carbon price scenarios** . . . applied to the life-cycle emissions . . . of the company's natural gas assets."
THE 'REVISED' PROPOSAL
"prepare a report discussing **price, amortization and obsolescence risk** to existing and planned Liquid Natural Gas capital investments posed by **carbon emissions reductions of 50% or higher** applied to Scope Two and Scope Three emissions by 2030 . . . as well as 'net zero' emissions targets by 2050."

Points:
1. 'Price, amortization and write down risk' are more precise subsets of 'premature write down risk' and thus helpful, delineating elements of the same things. Absent the revised detail, *Cheniere* could have argued the resolution was excessively vague and lacking detail.
2. "Carbon emissions reductions of 50% or higher' is also a narrowing of the phrase 'Range of rising carbon price scenarios.' The aim was to provide additional clarity and focus.

The two are the same. One is simply more granulated than the other to provide ease of answering by the company and to avoid flip side arguments of excessive vagueness -- a reasonable goal wholly retaining the substance of the original.

#2: SHAREHOLDER ELIGIBILITY

The Proposals May Be Excluded Under Rule 14a-8(b) And Rule 14a-8(f)(1) Because The Proponent Failed To Establish The Requisite Eligibility To Submit The Proposals

The shareholder's underlying eligibility to file a resolution to engage management **is not in doubt. The shareholder *has held the shares for the required period, continues to hold them and will continue***

to hold them to encourage constructive and detailed dialog with management over its future carbon and evolving 'social license' corporate challenges.

The issue involves complicated upstream custody plumbing that, until and unless they file a shareholder resolution, investors have no need to know.

Investors should thus be provided some leeway if investor participation in corporate management -- including the filing of corporate resolutions providing constructive challenges to corporate thinking -- is the aim.

Markets are evolving, often in invisible but beneficial ways for shareholders (such as through presumably lower cost, more technologically-efficient omnibus holding). As a result, this investor only learned of omnibus custody due to a change in financial institutions where he holds shares.

If share proof rules change each time an investor changes financial institutions (given different innovations by different companies), it can put sand in the gears of investor-management dialogue, potentially lessening innovation and competitiveness.

In this case, timely confirmation of required share holding was slowed by a runaround regarding the confirming entity requiring a new, different and unfamiliar effort compared to that of his old institution.

While everyone can appreciate financial innovation's added efficiencies, they *do* create complexities when investors are told (as in this case) they must get confirmation directly from a *Depository Trust Corp.* (*DTC)* participant -- but then advised the *DTC* participant can't provide the confirmation due to an omnibus structure -- which sends the confirmation back to the retail organization to take word of the *DTC* participant it holds the shares because the *DTC* participant itself says it can't be entirely sure (!).

That is the key verification issue here. It begs greater *SEC* clarity.

In sum, we appear to have three institutions (the *SEC*, *JP Morgan* and *Fiduciary Trust (FTCI*) whose positions don't line up regarding ownership verification requirements. In the end, the organization with primary visibility over the account (*FTCI*) was able to verify the proponent's ownership of the shares which, under the particular custody structure used, ended up being the only entity apparently able to do so with full confidence.

#3: The Revised Proposal May Be Excluded Because It Violates The "One Proposal" Limitation Of Rule 14a-8(c)

The problem was caused by differing interpretations of share holding verification rules only the *Securities and Exchange Commission* can clarify. This is needed so it doesn't become a future impediment.

In this case, the shareholder needed to submit the same proposal a second time due to what look like endless loop rules applying to verification of share holding arrangements in omnibus structures used by third party custodians.

Given this, the one proposal rule could better be interpreted as '*one proposal on one subject*,' not second submissions of the one proposal in the same year intended to meet changing upstream custody arrangements by retail investment outfits he/she patronizes.

In seeking shareholder verification documentation, the proponent sought it from his retail institution, *Fiduciary Trust,* which in turn uses *JP Morgan* for *DTC* custody. *JP Morgan*, however, advised *FTCI* after I filed my resolution *JP Morgan* uses an 'omnibus structure' rendering it impossible for *JP Morgan* to confirm individual share holdings.

If upstream *JP Morgan* can't confirm individual share holdings, and the *SEC* won't accept share holding confirmation exclusively from downstream, retail-facing *Fiduciary Trust* -- what's a proponent to do?

In its response to me, the *SEC* wrote:

SLB 14F. SLB 14F further provides that:
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.*

In my case, however, *JP Morgan* told *Fiduciary* that *JP Morgan* can't, for technical reasons, confirm *anyone's* individual ownership of shares due to its omnibus structure because the omnibus structure prevents even *JP Morgan* from seeing them (which may be good from a security standpoint, thus understandable).

But that, in turn, doesn't seem to conform to requirements of *SLB 14F* rendering *JP Morgan* responsible for confirming *FTCI's* ownership of omnibus structure-held shares held by *JP Morgan* that *JP Morgan* says it can't see.

Absent clarification, it appears impossible to file again in the future as long as this ambiguity exists. The *SEC* can help here.

If the *SEC* accepts the proponent's position his failure to confirm ownership was due to an upstream interpretation of shareholder proof requirements, it eliminates a claimed basis to exclude.

The only solution I see is for *FTCI* to confirm *JP Morgan* as upstream custodian with a statement from *JP Morgan* all its holdings are in an omnibus structure preventing individual identification of either holder or company stock, stating only the downstream customer-facing entity (in this case, *FTCI*) can do -- which is what I did.

In *SLB 14F*, the *SEC* says:

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.***

#4: DEMONSTRABLE INTEREST TO SHAREHOLDERS

On its first outing last year, this resolution garnered a 27% *Cheniere* shareholder vote in favor. That's nearly 10 times the previous three percent required to refile and more than five times the *SEC's* recently upwardly-revised five percent -- an impressive show against even the new and stiffened requirements.[1]

It clearly demonstrates strong interest and support among *Cheniere* investors and their concern about limiting economically destructive climate change and *Cheniere's* contribution to it. The vote strongly backed improved efforts by LNG market participant *Cheniere* to better explain how it plans to tackle this challenge apart from its reflexive short-hand answer: 'LNG is part of the solution.'

The vote strongly demonstrated shareholders welcome opportunities such as the proponent's shareholder resolution to signal such views to management and emphasize management's need to more deeply engage on climate change. To date, I've found *Cheniere* cordial but unforthcoming regarding company-investor dialogue on this.

Ongoing annual expressions of shareholder sentiment can encourage *Cheniere* to provide greater

1 "SEC Rule Changes Will Hobble ESG Investors," *Barrons,* April 24, 2020

granulation to shareholders regarding *Cheniere's* efforts to manage emissions and reach challenging mid-century net-zero carbon emission reduction/elimination goals.

To date, however, the best investors get out of *Cheniere* are platitudes such as 'LNG is part of the solution.' Efforts to get more prove fruitless. This led to my shareholder resolution an impressively large percentage of fellow *Cheniere* investors support.

As it happens, much of **the information sought** (*Scope Three* emissions priced at reasonable social value proxies) **is already in the public domain --** eliminating 'propriety information' arguments.

In short: we already *know* the answers to the questions posed (see *US Energy Department* chart below). What we *don't know* (and need and deserve to, as company owners) is ***Cheniere's* plan for dealing with the implications** of this for its **existing fixed investments** in LNG and **that investment's longevity.**

And that, in turn**,** has big **implications for the net present value of *Cheniere*** which investors must handicap in considering whether to buy, hold or sell *Cheniere* stock-- making it highly relevant.

Climate change is shaping up as a defining issue of the next 30 years. Country after country is now committing to mid-century net zero goals. This will limit future markets for LNG absent offsets or as-yet unspecified emission-cancelling 'magic bullets.'[2]

Meanwhile, competing renewable energy continues to relentlessly fall in price with no end in sight.

At present, investment continues to flow into Liquid Natural Gas investments predicated on up to half-century future operating life spans. That means new LNG capacity coming on line by the late 2020s-early 2030s could operate to 2070 and beyond. That's *two decades* past mid-century net zero targets.

This shareholder resolution, therefore, poses important questions about longevity assumptions currently baked into planned and legacy LNG industry capital investment. It seeks defense by LNG companies of such assumptions based upon clear and continuing downward price strides in renewable energy led by wind, solar and improving storage technology and likely upward movement in implicit or explicit negative carbon values.

These negative carbon values present existential threats to the currently presumed near perpetual life spans of existing and planned LNG capacity, and the uncertainties clearly concern shareholders. Evidence: the 27% vote in favor (on first submission) of the proponent's shareholder resolution on this subject last year seeking greater analysis and justification for running this risk by *Cheniere* management to its shareholders.

#5: THE 'ONE PROPOSAL' RULE

• the Proposals may be excluded from the 2021 Proxy Materials pursuant to Rule 14a-8(b) and Rule 14a-8(f)(1) because the Proponent failed to provide the requisite proof of continuous stock ownership in response to the Company's proper request for that information;1 and
• to the extent that the Revised Proposal constitutes a separate proposal, the Revised Proposal may also be excluded from the 2021 Proxy Materials pursuant to Rule 14a-8(c) because it violates the "one proposal" limitation.

Had the unexpected, clearly arcane custody issues been easier to work out within the tight frame AND the true share ownership confirming organization clear, the proponent could have presented the required proof in the required amount of time.

In this instance, a three-institution *(SEC, FTCI* and *JP Morgan*) framework coupled with short confirmation deadline imposed on a resolution filed months ago presents a high hurdle to a filer, particularly an individual investor one.

Given individual investors can offer valuable contrary thinking to markets, increased clarity here is a boon.

2 "Europe Drops Another Project to Buy U.S. LNG in Green Push," *Bloomberg, Jan 15, 2021*

It's also important to note the 'revised' proposal made only small alterations to the original. Further, when resolutions are submitted far in advance as the proponent did with his proposal this year, such alterations create little/no inconvenience to the corporate or the *SEC* -- since both need only opine once on the final product.

#6: THE *SEC* CARES ABOUT BOTH CLIMATE CHANGE AND CONTRARY VOICES

The *Securities and Exchange Commission* has made it unmistakably clear it will consider climate change considerations in future decisions. It notes investors (like me) take this increasingly seriously, and the *SEC* intends to support these efforts.

Evidence comes from comments made over the past year by *Commissioner Alison Herren Lee:*

*"There is certainly evidence that **climate risks are currently underpriced,** particularly with respect to **long-dated assets,** utilities, commercial mortgage-backed securities, and potentially municipal bonds, among others. Underpricing can lead to abrupt and **disruptive re-pricing** as markets discover the anomalies. This reckoning could be triggered by **massive climate-related events** or significant changes in legal requirements that can render assets and even business models obsolete in a very short time frame.*

The above is just what my resolution seeks: increased clarity from *Cheniere* of its views on the risk of future 'disruptive re-pricing' of its company shares caused by 'massive climate-related events' its product (LNG) increases the odds of occurring.

Stated differently, the resolution seeks explanation by *Cheniere* of its potential underpricing of climate risk in its business model. The issue can't be summed up more simply than that.

Commissioner Lee also indicates *SEC* support for expanded Scope Three emissions reporting sitting at the core of my resolution.

*"The SEC should **work with market participants** toward a disclosure regime specifically tailored to ensure that financial institutions produce standardized, comparable, and reliable disclosure of their exposure to climate risks, including **not just direct, but also indirect, greenhouse gas emissions** associated with the financing they provide, referred to as Scope 3 emissions. **There is a concentration of risk in the financial sector that is not readily ascertainable except through Scope 3 emission disclosures."***
"Playing the Long Game: The Intersection of Climate Change Risk and Financial Regulation," *SEC Website, November 25, 2020*

The commissioner then goes on in the same speech to make the case for my resolution for me (!) :

***"Investors are** overwhelmingly **telling us,** through comment letters and petitions for rule making, that they need **consistent, reliable, and comparable disclosures of the risks and opportunities related to sustainability measures, particularly climate risk.** Investors have been clear that **this information is material to their decision-making** process, and a growing body of research confirms that."*

The *SEC* also has helpfully provided information like the below to prepare market participants for the kinds of disclosure that may increasingly be warranted. In this shareholder's view, *Cheniere* faces climate related risk triggering required disclosure in all four categories below:

Climate Related Risks Potentially Triggering Disclosure Rules

Table 1: Categories of Climate-Related Risks Identified by the Securities and Exchange Commission and Examples of How They Could Trigger Disclosure Rules

Category of climate-related risk	Definition	Examples
Legislation and regulation	Pending or existing regulations or legislation related to climate change at all levels of government.	Companies could face costs to improve facilities and equipment to reduce emissions to comply with regulatory limits; or to purchase, or profit from the sale of, allowances or credits under a "cap and trade" system.[a]
International accords	Treaties or international accords relating to climate change.	The European Union Emissions Trading System could have a material impact on a company's business,[b] which could potentially be the same as the impact from U.S. climate change legislation and regulation.
Indirect consequences of regulation or business trends	New opportunities or risks created by legal, technological, political, or scientific developments related to climate change.	Companies may face decreased demand for goods that produce significant greenhouse gas emissions and may face potential adverse consequences to business operations or financial condition, from the public's perception of publicly-available data about their greenhouse gas emissions.
Physical impacts	Significant physical effects of climate change such as severity of storms, sea levels, and water availability.	Severe weather could cause property damage and disruptions to operations for companies with operations concentrated on coastlines. It could also cause indirect financial and operational impacts from disrupting the operations of major customers or suppliers.

Source: Securities and Exchange Commission. | GAO-18-188

Source: US Securities and Exchange Commission

#7: AS SHAREHOLDER MEETINGS GO VIRTUAL, RESOLUTIONS GAIN IN IMPORTANCE

Deprived of personal contact with management, corporate resolutions may unfortunately increasingly become investors' primary means of getting management attention and getting top executives on the record of subjects of concern to shareholders. *Cheniere* might be cited as an example. Last year, *Cheniere* held an all-virtual *Annual General Meeting,* due to CV19 (a decision this shareholder supports).

While everything (to the company's credit!) worked well technically during the *AGM* (all investors appeared able to log on and the sound was good although no visuals could be presented), the entire meeting ran a highly expeditious *13 minutes.*

Given this, my three-minute address to shareholders seeking support for my resolution amounted to roughly a quarter of the time of the entire *Annual General Meeting* (!).

A 13-minute *Annual General Meeting* can't be considered a stellar effort by management to engage shareholders with management in any real-time interaction. The *Wall Street Journal* also took an interest took an interest in this phenomenon, quoting me in a story about virtual AGMs.[3]

#8: THE BIDEN ADMINISTRATION

According to the *Wall Street Journal*, US President Joe Biden's likely pick to head the *Securities and Exchange Commission,* Gary Gensler, may increase emphasis on climate issues. [4]

The *Wall Street Journal* says Gensler's approach may include:***"Combating climate change*** *and racial injustice, forcing more transparency around corporate political spending and* ***tilting the balance of power***

3 "Shareholders Feel Muted as Companies Switch to Virtual Annual Meetings, *Wall Street Journal, Aug 23, 2020)*

4 "An Old Foe of Banks Could Be Wall Street's New Top Cop," *Wall Street Journal, Jan 16, 2021*

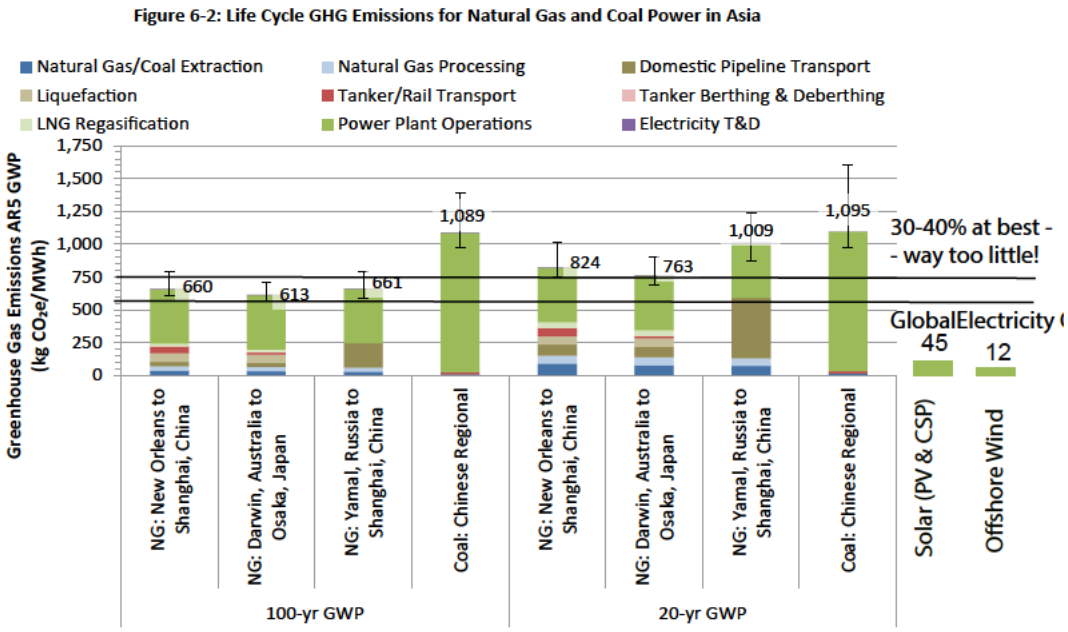
*from executives to workers and **small investors.”***

If so, companies involved in the LNG industry (like *Cheniere*) may/will be called upon in the future by the *SEC* to provide more detail regarding how they plan to handle *Scope Three* carbon emissions beyond the current, evasive universal platitude: “LNG is part of the solution.”

#9: HELPFUL CHARTS

The *US Department of Energy* has produced a helpful nutshell chart that illustrates Liquid Natural Gas’s carbon conundrum. The Scope Three emissions of Liquid Natural Gas, by pretty much universal agreement, amount to something around 660 kilograms of carbon per megawatt-hour equivalent (Mwhe) of electricity generated for retail consumption (to cite one downstream use).

LNG Life Cycle Greenhouse Gas Emissions



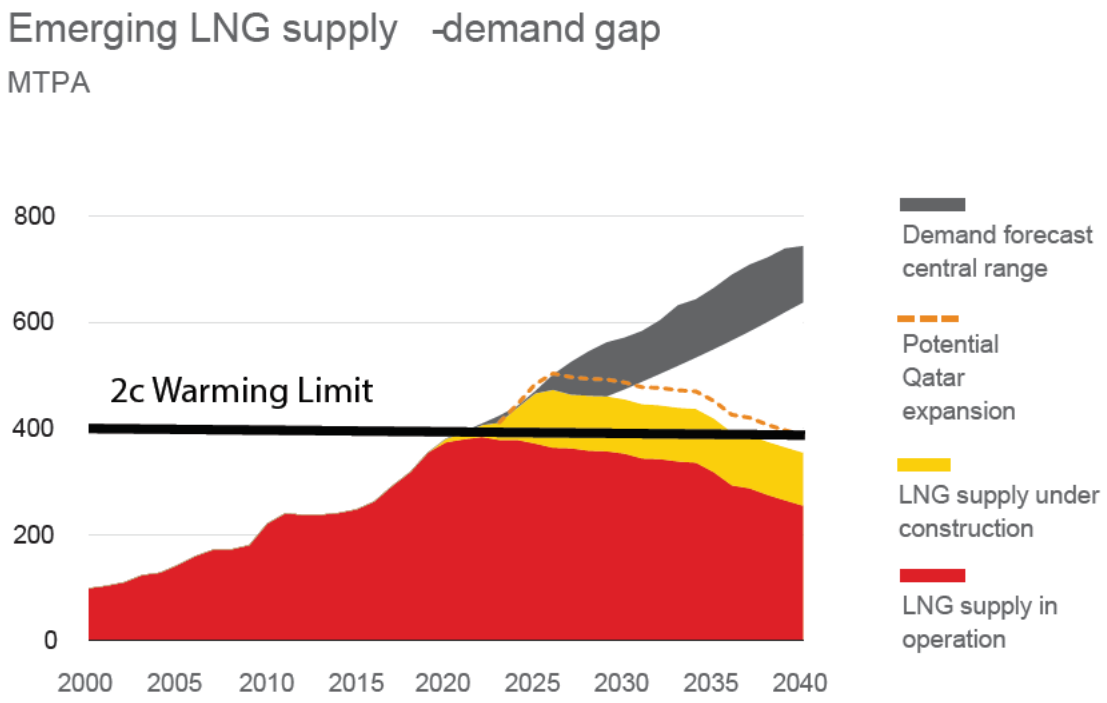
The US Department of Energy estimates life-cycle emissions of natural gas shipped to market as LNG as only marginally lower than coal.
Source: “Life Cycle Greenhouse Gas Perspective On Exporting Liquefied Natural Gas From the United States, 2014,” US Department of Energy;
“Life Cycle Assessment Harmonization,” US National Renewable Energy Laboratory, 2013

Solar energy (photovoltaics, mostly) emits 45 kg (Mwhe), wind 12 kg (Mwhe). Increasingly, the market will price such emissions differentials into preference matrices in a race mature LNG is unlikely to win against *still* continuously falling wind and solar prices.

For its part, the LNG industry avoids these comparisons. Instead, it puts out rosy future expansion

expectations of LNG as an important future fuel.

Global Forecast LNG Capacity Additions to 2040



Global oil major Shell anticipates aggressive growth in LNG trade out at least to 2035.
Source: Shell Outlook 2020

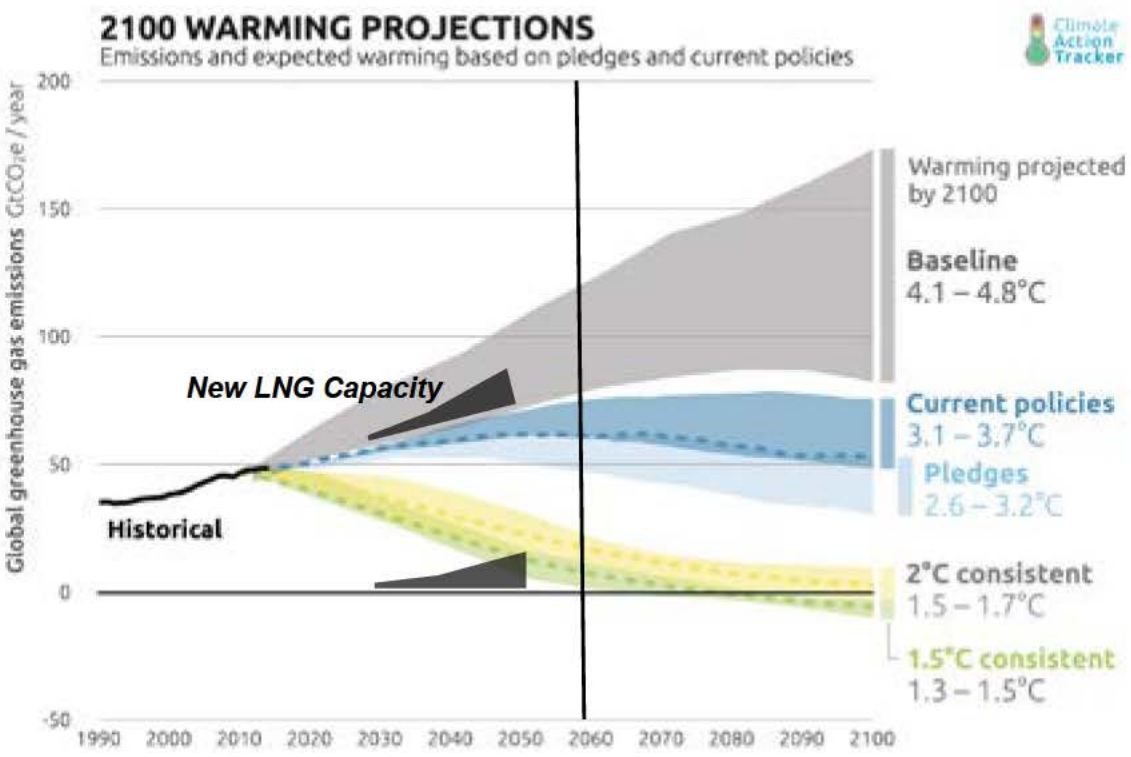
But this ignores how new LNG capital investment has little chance of successfully competing throughout a hypothetical 40-year amortization period in markets characterized by rising implicit or explicit carbon prices and relentlessly falling (with no end in sight) renewable energy prices led by wind and solar.

But if the above expansion of LNG capacity takes place, with new infrastructure coming on line between, say, 2030-2040, all of which with nominal 40-year life spans, one can imagine a rather frighteningly binary future climate scenario -- with both outcomes bad.

If the headlong expansion envisaged by the LNG industry occurs, absent draconian cuts elsewhere for which there no sign of a social bargain, it will propel the world to emissions of potentially 60 billions of carbon equivalent per year. On the flip side, should ALL other energy producers agree to draconian cuts to

make way for unfettered LNG expansion, LNG's Scope Three emissions may amount to nearly a third of global emissions. However, to date there is little or no sign to date all other emitters plan to sign on to self-destruction in order to defer to LNG's carbon primacy.

2100 Global Warming Projections



Proposed Liquid Natural Gas capacity expansions over the next 15 years -- should they occur -- would generate enough carbon to drive global temperature rises well into the 4C range.
Conversely, if LNG capacity expands without constraint (as the industry expects) with the burden of global carbon emission reduction falling exclusively on all other sectors, LNG's global Scope Three emissions will account for nearly a quarter of dramatically-reduced global emissions.
That scenario -- however, -- requires heroic assumptions regarding an unconditional 'social license' for the global LNG industry, with adjustment wholly undertaken by all other emitters in deference to LNG.
Source: Climate Action Tracker

#10: COULD LNG BECOME UNECONOMIC BY 2030?

Liquid Natural Gas is a mature technology with Scope Three carbon emissions 40% lower than coal but 16 *times* higher than solar and 55 *times* higher than wind, as per the page seven graphic.

If those emissions differentials are priced (at a $40 per tonne *US Social Cost*, say) and applied to the Scope Three numbers on page seven, 'carbon weightings' can be used to judge relative 'carbon-load costs' of coal, LNG, solar and wind.

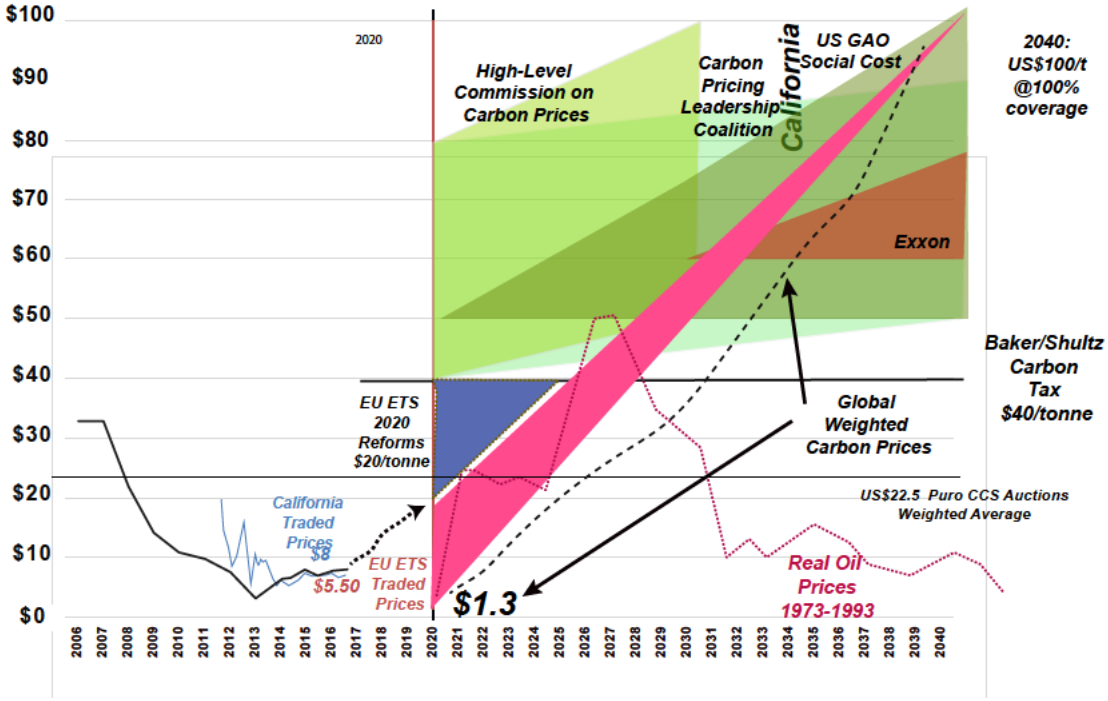
Given solar and wind have *Scope Three* carbon emissions 90%+ lower than *Scope Three* LNG, applying $40 carbon prices to those *Scope Three* differentials adds ~2.6c per kilowatt-hour to overall LNG electricity costs and a pittance to overall solar and wind costs.

Scope 3 Emissions tonnes/mwhe	$40/Tonnes Carbon Price	USc/ kwh
0.9	Coal Scope 3/mwh	3.6c
0.66	LNG Scope 3/mwh	2.6c
0.045	Solar Scope 3/mwh	.016c
0.01	Wind Scope 3/mwh	0.04c

The upshot of these figures is that reasonable forward upward projections in carbon levies *may,* within a decade or two, be greater than the entire retail price of the LNG-produced electricity in consuming markets based upon reasonable forward carbon price forecasts and increasing commitments by countries to meet mid-century net zero goals. And that, in turn, still involves using variables favorable to LNG.

For their part, as below, organizations ranging from the *High-Level Commission on Carbon Prices*, the *Carbon Pricing Leadership Coalition, Exxon* and the state of California all project, estimate or judge plain guess at future carbon prices (implicit or explicit) of $70-100 per tonne by 2040.

Projected/Anticipated Carbon Prices From Respected Sources



Traded carbon prices range from around $3 to $20. European reforms aim for $20+ by 2020. Experts estimate $40 now and $100+ later are what's needed. Weighted global carbon prices linger around $1.3 per tonne.
Sources: High-Level Commission on Carbon Prices, US General Accounting Office, Exxon, Baker-Shultz Carbon Tax plan, International Energy Agency, state of California, European Union Emissions Trading Scheme.

The question thus becomes: how might *Cheniere* make money by mid-century from a product whose implicit carbon costs approach (or possibly exceed) its sale costs?

One way, of course, is to work hard to ensure carbon costs are never applied. Another is to deny carbon emissions are occurring, claim they are minimal, or selectively count them.

The 25% vote in favor of my resolution last year indicates shareholders seek greater granulation of this micro-economic carbon conundrum from *Cheniere*'s management, where the answer to date has always and exclusively been some variant of 'Liquid Natural Gas is part of the solution.'

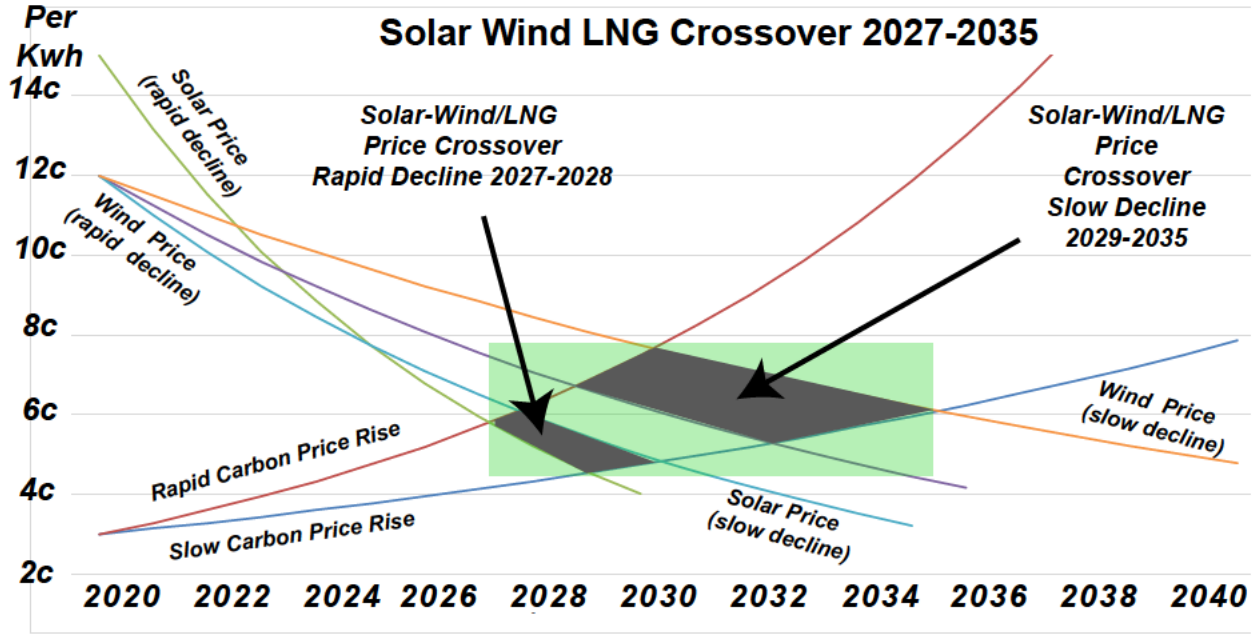
If so, shareholders deserve and have a right to more elaboration from management..

Bundling all this together points suggests two potential boundary outcomes. The first is no carbon pricing and an LNG industry that expands without constraint with high capital investment in new capacity during the 2020s that comes on line around 2030.

If all this new capacity stays online for a reasonable 40-year amortization period to 2070 (or so), the associated greenhouse gas emissions would under current scientific models be sufficient (absent draconian cuts by all other Earthly emitters) to put the world on track for somewhere around 60 billion tonnes of carbon emissions by 2030.

The other scenario can be visually explained in the graphic below, which seeks to analyze multiple outcomes of fast and slow future decreases in wind and solar, coupled with fast and slow rises in implicit or explicit carbon prices.

Solar-Wind-LNG Price Crossover: 2027-2035



The crossover price of Liquid Natural Gas, solar and wind will happen as early as 2027 and as late as 2035. This is based on downward prices for solar and wind (both slow and fast) and rising trend costs for LNG (based upon hypothetical carbon price rises of 5% and 10% per year). The result in either case is a likely stranding of LNG investments.

Sources: Bloomberg New Energy Finance, US General Accounting Office, World Bank, US Energy Information Administration, Carbon Pulse, Synapse, ICIS, Point Carbon

The exercise suggests a 'fast crossover' of renewables vs. LNG prices (measured on per kilowatthour basis) by the late 2020s with a slow crossover occurring sometime between 2029-2035.

To maintain confidence in LNG investments that may not even come on line until the late 2020s, with a 40-year amortization to 2070 and beyond, investor need to know more.

Sincerely,

Stewart Taggart

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January 13, 2021

VIA E-MAIL

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, NE
Washington, DC 20549
Shareholderproposals@sec.gov

Re: *Cheniere Energy, Inc.*
Shareholder Proposals 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 2021 Annual Meeting of Shareholders (the "2021 Annual Meeting") (collectively, the "2021 Proxy Materials") a shareholder proposal dated May 22, 2020 (the "Original Proposal") and a revised shareholder proposal dated July 28, 2020 (the "Revised Proposal" and, collectively with the Original Proposal and the supporting statements respectively provided therewith, the "Proposals") received from Stewart Taggart (the "Proponent").

Pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, 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 its definitive 2021 Proxy Materials with the Commission; and

- concurrently sent copies of this correspondence to the Proponent.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) ("SLB 14D") provide that shareholder proponents are required to send companies a copy of any correspondence that the 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 additional correspondence to the Commission or the Staff with respect to these Proposals, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

THE ORIGINAL PROPOSAL

A copy of the Original Proposal and the corresponding supporting statement is attached hereto as **Exhibit A**. The Original Proposal calls for the Company to, among other things, "prepare a report outlining the business case and premature write down risk for the global Liquid Natural Gas trade under a range of rising carbon price scenarios . . . applied to the life-cycle emissions . . . of the company's natural gas assets."

THE REVISED PROPOSAL

A copy of the Revised Proposal and the corresponding supporting statement is attached hereto as **Exhibit B**. The Revised Proposal calls for the Company to, among other things, "prepare a report discussing price, amortization and obsolescence risk to existing and planned Liquid Natural Gas capital investments posed by carbon emissions reductions of 50% or higher applied to Scope Two and Scope Three emissions by 2030 . . . as well as 'net zero' emissions targets by 2050."

BASES FOR EXCLUSION

We hereby request that the Staff concur in our view that:

- the Proposals may be excluded from the 2021 Proxy Materials pursuant to Rule 14a-8(b) and Rule 14a-8(f)(1) because the Proponent failed to provide the requisite proof of continuous stock ownership in response to the Company's proper request for that information;[1] and

- to the extent that the Revised Proposal constitutes a separate proposal, the Revised Proposal may also be excluded from the 2021 Proxy Materials pursuant to Rule 14a-8(c) because it violates the "one proposal" limitation.

ANALYSIS

The Staff has concurred in the exclusion of a proposal and revised proposal involving facts that were similar to the situation at hand and involved the same Proponent. Here and in *Dominion Energy, Inc*. (avail. Dec. 17, 2018):

[1] Since the Proponent sent the Company a letter stating that he was providing a "resubmitted 2020 resolution" (*see* the Revised Proposal at **Exhibit B**), out of an abundance of caution, we are seeking no-action relief with respect to both the Original Proposal and the Revised Proposal.

- the proponent submitted a proposal without providing documentary evidence of his ownership of Company shares;

- the company sought verification of the proponent's share ownership by sending a deficiency notice prior to the 14-day deadline; and

- more than 14 days after his receipt of the deficiency notice, the proponent sent the company correspondence requesting to replace his original proposal with a revised version and acknowledging that he missed the 14-day deadline by which he had to submit the share ownership proof.

In *Dominion Energy*, the Staff concurred with the company's request for no-action relief pursuant to Rule 14a-8(f)(1), stating that the proponent failed to supply the requisite proof of ownership under Rule 14a-8(b) because he did not provide proof of ownership within 14 days of receiving the Company's request for sufficient proof of ownership. Pursuant to Staff Legal Bulletin No. 14F (Oct. 18, 2011) ("SLB 14F"), a shareholder who fails to provide proof of ownership by the deadline for the initial submission of a proposal is not permitted to submit another proposal for the same meeting.

For the reasons above and further explained below, we request that the Staff treat the Proposals received by the Company the same way it treated the proposals received by *Dominion Energy* and grant no-action relief pursuant to Rule 14a-8(f). A more detailed analysis of these bases for exclusion follows.

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

A. Background.

The Proponent shipped the Original Proposal to the Company via FedEx on May 20, 2020. *See* **Exhibit A**. The Company received the Original Proposal on May 22, 2020. The Proponent did not supply with his correspondence any documentation regarding his ownership of Company shares. The Company also checked its stock records, which did not indicate that the Proponent was a record owner of Company shares. Furthermore, the Proponent did not provide a written statement that he intends to continue ownership of the requisite number of Company shares through the date of the 2021 Annual Meeting.

Accordingly, the Company properly sought verification of share ownership from the Proponent and also informed him that his Original Proposal failed to provide his written statement

that he intends to continue ownership of the requisite number of Company shares through the date of the 2021 Annual Meeting. Specifically, on June 4, 2020, the Company emailed and sent by overnight mail (FedEx) a letter to the Proponent, dated June 4, 2020, identifying these procedural deficiencies, informing the Proponent of the requirements of Rule 14a-8 and explaining how the Proponent could cure the deficiencies (the "Deficiency Notice"). The Deficiency Notice, attached hereto as **Exhibit C**, provided detailed information regarding the record holder requirements, as clarified by SLB 14F, and attached a copy of Rule 14a-8 and SLB 14F. The Deficiency Notice stated: the ownership requirements of Rule 14a-8(b); that, according to the Company's stock records, the Proponent was not a record owner of sufficient shares; the type of statement or documentation necessary to demonstrate beneficial ownership under Rule 14a-8(b); and that any response had to be postmarked or transmitted electronically no later than 14 calendar days from the date the Proponent received the Deficiency Notice.

The Company sent the Deficiency Notice to the Proponent by email and overnight mail (FedEx) on June 4, 2020, which was within 14 calendar days of the Company's receipt of the Original Proposal. *See* **Exhibit C**. This was consistent with the Proponent's request in the Original Proposal to be corresponded with by email. *See* **Exhibit A**. The Proponent's response to the Deficiency Notice was required to be postmarked or transmitted electronically by June 18, 2020, which was 14 calendar days after the Proponent's receipt of the Deficiency Notice by email.

On July 28, 2020, the Proponent shipped his next letter to the Company via FedEx (the "July 28 Letter"), 54 days after the Proponent received the timely Deficiency Notice via email delivery from the Company. The July 28 Letter was accompanied by the Revised Proposal. The Company received the July 28 Letter and the Revised Proposal on July 31, 2020. *See* **Exhibit B**. In the July 28 Letter, the Proponent asked the Company to "accept the resubmitted 2020 resolution below for a vote by shareholders at the company's 2021 Annual General Meeting." The July 28 Letter did not include proof of the Proponent's ownership of Company shares. Instead, the Proponent stated that he would send his proof of ownership "[i]n coming days."

On August 4, 2020, the Proponent shipped another letter, dated August 4, 2020, to the Company via FedEx (the "August 4 Letter"), 61 days after the Proponent received the timely Deficiency Notice via email delivery from the Company. The Company received the August 4 Letter on August 6, 2020. *See* **Exhibit D**. In the August 4 Letter, the Proponent stated: "I missed the window (14 days as I remember) to submit proof of share ownership." The Proponent provided along with the August 4 Letter a letter from Fiduciary Trust Company International, a non-DTC participant, regarding the Proponent's purported ownership of shares of the Company's stock (see page 6 of this letter for a detailed discussion).

B. The Proposals may be excluded under Rule 14a-8(b) and Rule 14a-8(f)(1) because the Proponent failed to establish the requisite eligibility to submit the Proposals.

It is permissible for the Company to exclude the Proposals under Rule 14a-8(f)(1) because the Proponent did not verify his eligibility to submit the Original Proposal in a timely manner under Rule 14a-8(b). Under Rule 14a-8(b)(1), "to be eligible to submit a 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 meeting for at least one year by the date [the shareholder] submit[s] the proposal." Staff Legal Bulletin No. 14 (July 13, 2001) ("SLB 14") provides that when the shareholder is not a registered holder, the shareholder "is responsible for proving his or her eligibility to submit a proposal to the company," which the shareholder may do by one of the two ways provided in Rule 14a-8(b)(2). *See* Section C.1.c, SLB 14. SLB 14F clarified that such proof of ownership letters must come from the record holder of the Proponent's shares and that only Depository Trust Company ("DTC") participants are viewed as record holders of securities that are deposited at DTC. Under Rule 14a-8(f), a company is permitted to exclude a shareholder proposal from its proxy materials where the proponent does not furnish evidence of eligibility under Rule 14a-8, including failing to furnish the beneficial ownership information required under 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 14-day time period.

The Staff has consistently concurred in the exclusion of proposals from companies' proxy materials in cases where proponents have not, after a timely and proper request by a company, provided evidence to the company of eligibility to submit the shareholder proposal in a timely manner to satisfy Rule 14a-8(b). For example, in *FedEx Corp.* (avail. June 5, 2019), the proponent submitted a proposal without any accompanying proof of ownership and did not provide any documentary support until 15 days following receipt of the company's deficiency notice. Despite being just one day late, the Staff concurred with the exclusion of the proposal pursuant to Rule 14a-8(b) and Rule 14a-8(f)(1). See also *Time Warner Inc.* (avail. Mar. 13, 2018); *ITC Holdings Corp.* (avail. Feb. 9, 2016); *Prudential Financial, Inc.* (avail. Dec. 28, 2015); *Mondelēz International, Inc.* (avail. Feb. 27, 2015) (each concurring with the exclusion of a shareholder proposal where the proponent supplied proof of ownership more than 14 days after receiving the company's timely deficiency notice, even if the evidence that was ultimately provided otherwise satisfied Rule 14a-8(b)). In this case, the Proponent submitted a proposal without any accompanying proof of ownership, and did not provide any documentary support until 61 days following receipt of the Company's Deficiency Notice. As such, the Company may exclude the Proposals pursuant to Rule 14a-8(f)(1) and Rule 14a-8(b).

Comparable to the companies discussed in the preceding paragraph, the Company satisfied its obligation under Rule 14a-8 by transmitting to the Proponent in a timely manner the Deficiency

Notice. *See* **Exhibit C**. The Proponent did not provide the proof of ownership required by Rule 14a-8(b)(2), and as described in the Deficiency Notice and in SLB 14F, within the required 14-day time period after he received the Company's timely Deficiency Notice. Because the Proponent's proof was untimely and did not properly reflect the Proponent's ownership of any Company shares, the Proponent failed to provide documentary evidence of ownership of Company shares in response to the Company's timely Deficiency Notice and has therefore not demonstrated eligibility to submit the Original Proposal under Rule 14a-8.

The Proponent's submission of the Revised Proposal did not relieve the Proponent of his obligation to provide adequate proof of ownership within the 14-day time period following his receipt of the Deficiency Notice relating to the Original Proposal. Section D(3) of SLB 14F states that when a shareholder submits a revised proposal, the "shareholder must prove ownership as of the date the original proposal is submitted." The Staff has concurred that submitting a revised proposal will not change a proponent's obligation to provide, within 14 days of receipt of a company's proper request for such information, proof of ownership as of the date of submission of the original proposal. As discussed above, in a similar fact pattern (involving the same Proponent), the Staff concurred in *Dominion Energy* that the company could exclude the Proponent's proposal under Rule 14a-8(f), noting that "the Proponent appears to have failed to supply, within 14 days of receipt of the [c]ompany's request, documentary support sufficiently evidencing that he satisfied the minimum ownership requirement for the one-year period as required by rule 14a-8(b)" and that "a shareholder must prove ownership as of the date a proposal is first submitted and that a proponent who does not adequately prove ownership in connection with that proposal is not permitted to submit another proposal for the same meeting at a later date. See Staff Legal Bulletin No. 14F (Oct. 18, 2011)." *See Dominion Energy, Inc*. (avail. Dec 17, 2018). *See also Sprint Corp.* (avail. Dec. 13, 2019) (concurring with the exclusion of a proposal under Rule 14a-8(b) and Rule 14a-8(f) where the proponent failed to provide timely proof of ownership for a proposal and "attempted to fix this failure by resubmitting [a revised proposal]… to restart the timeline" 29 days after receipt of the company's deficiency notice); *Ameren Corp.* (avail. Jan. 12, 2017) (concurring with the exclusion of a proposal where the proponent resubmitted a revised proposal after failing to provide sufficient proof of ownership in response to a company's timely deficiency notice). As such, the Proponent's submission of the Revised Proposal does not change the fact that the Proponent failed to provide proof of ownership within 14 days of receipt of the Deficiency Notice relating to the Original Proposal.

Furthermore, the Proponent only submitted proof of ownership from Fiduciary Trust Company International, which is not on the list of DTC participants that is available on the DTC website at https://www.dtcc.com/-/media/Files/Downloads/client-center/DTC/alpha.pdf. The Staff has clarified that a shareholder's proof of ownership letter must come from the record holder

of the Proponent's shares and that only DTC participants are viewed as record holders of securities that are deposited at DTC. *See* SLB 14F. SLB 14F further provides that:

> 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.

The Company satisfied its obligation under Rule 14a-8 to notify the Proponent of this deficiency by timely providing the Proponent with the Deficiency Notice that explained, among other things, how to submit proof of ownership from a non-DTC participant. *See* **Exhibit C**. The Proponent never provided any affirmative verification from the DTC participant. As such, even if the broker's statement had been submitted within the requisite timeframe, the deficiency identified in the Deficiency Notice still would not have been cured as the Proponent failed to submit the requisite proof of ownership from the DTC participant.

The Staff has consistently concurred with the exclusion of shareholder proposals based on a proponent's failure to provide proof of ownership from a DTC participant, even if delivered within the required 14-day time period following notification of the deficiency. See *Chubb Limited* (avail. Feb. 13, 2018) (concurring with exclusion of a proposal where the same Proponent submitted evidence of ownership from Fiduciary Trust Company International (the same broker in the present situation), but failed to submit proof of ownership from a DTC participant following a timely and proper request by the company); *General Motors Co.* (avail. Mar. 27, 2020) (concurring with exclusion of a proposal where proponents failed to provide proof of ownership from a DTC participant despite the company's timely deficiency notice; the proponents responded within the required 14-day time period but only provided a letter from an intermediary stating that the proponents' account was held with a particular DTC participant); *FedEx Corp.* (avail. Jun. 28, 2018) (concurring with the exclusion of a shareholder proposal under Rule 14a-8(b) and Rule 14a-8(f) where proponents failed to timely submit sufficient proof of ownership from a DTC participant); and *Johnson & Johnson* (avail. Feb. 23, 2012, recon. granted Mar. 2, 2012) (concurring with the exclusion of a proposal where the proponent failed to provide, in response to a timely deficiency notice, proof of continuous ownership for the requisite period from any DTC participant). As with the foregoing precedent, the Proponent failed to provide proof of ownership from a DTC participant by the 14-day deadline as required under Rule 14a-8.

The Staff has consistently held the view that Rule 14a-8 does not require companies to deliver supplemental deficiency notices to a shareholder 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. Section C.6. of SLB 14 states that a company may exclude a proposal pursuant to Rule 14a-8(b) and Rule 14a-8(f)(1) if "the shareholder timely responds but does not cure the eligibility or procedural defect(s)." For example, in *PDL BioPharma, Inc.* (avail. Mar. 1, 2019), the proponent submitted a proposal without any accompanying proof of ownership, and the broker letter sent in response to the company's timely deficiency notice failed to establish that the proponent owned the requisite minimum number of shares. The Staff concurred with exclusion under Rule 14a-8(f) even though the company did not send a second deficiency notice to the proponent, who still had several days remaining in the 14-day cure period. When more than 14 days had passed after the Proponent received the Deficiency Notice identifying the absence of his proof of ownership, the Proponent could not cure the deficiency. Because the Proponent failed to provide proof of ownership regarding the Original Proposal in a timely manner, the Company was not obligated to provide the Proponent with an additional notice of defect regarding the Revised Proposal.

Accordingly, we ask that the Staff concur that the Company may exclude the Proposal under Rule 14a-8(b) and Rule 14a-8(f)(1).

II. The Revised Proposal May Also Be Excluded Because It Violates The "One Proposal" Limitation Of Rule 14a-8(c)

The Company received the Original Proposal on May 22, 2020, and received the Revised Proposal on July 31, 2020.[2] To the extent the Revised Proposal could be deemed a separate proposal from the Original Proposal, the Revised Proposal represents the second proposal submitted by the Proponent in connection with the 2021 Annual Meeting. Under Rule 14a-8(c), "each shareholder may submit no more than one proposal to a company for a particular shareholders' meeting."

As discussed above, under similar facts, the Staff concurred in exclusion, stating: "[W]e note that a shareholder must prove ownership as of the date a proposal is first submitted and that a proponent who does not adequately prove ownership in connection with that proposal is not

[2] The Revised Proposal was received by the Company 70 days after the Original Proposal was received by the Company, and 57 days after the Proponent's receipt of the Deficiency Notice.

permitted to submit another proposal for the same meeting at a later date. *See* Staff Legal Bulletin No. 14F (Oct. 18, 2011)." *Dominion Energy, Inc.* (avail. Dec. 17, 2018).

The Staff has concurred in the exclusion of proposals in cases where an original proposal was excludable on a procedural or substantive basis, and a proponent subsequently delivered to the company a second proposal that was the same or similar to the original proposal. In *Hanesbrands Inc*. (avail. Dec. 11, 2009), the proponent did not provide proof that he satisfied the Rule 14a-8 ownership requirements and the Staff agreed that the company could exclude the initial proposal under Rules 14a-8(b) and 14a-8(f). When the proponent sent an identical proposal one month later to be incorporated into the proxy statement for the same annual meeting, the Staff again agreed that the company could exclude the proposal from its proxy materials, in this instance under Rule 14a-8(c). The Staff stated that "the proponent previously submitted a proposal for inclusion in the company's proxy materials with respect to the same meeting." *See also Procter & Gamble Co*. (avail. Aug. 10, 2004), *Citigroup Inc*. (avail. Mar. 7, 2002) and *Motorola, Inc*. (avail. Dec. 31, 2001) (in each case, granting relief to a company that had received two proposals from the same proponent, where the Staff had already granted no-action relief for the first proposal, and the proponent in turn submitted a different proposal, which was excluded under Rule 14a-8(c)).

The Proponent sent the Original Proposal to the Company without providing any evidence of his ownership of Company shares. The Proponent then submitted the Revised Proposal after failing to remedy the proof of ownership deficiency with respect to the Original Proposal. In the August 4 Letter, the Proponent acknowledged in two parts of his letter that he had "missed the deadline for providing proof of company share ownership." *See* **Exhibit D**. The Revised Proposal represents the second proposal submitted by the Proponent in connection with the 2021 Annual Meeting. Regardless of whether the Revised Proposal is meant to replace the Original Proposal, it violates Rule 14a-8(c). As such, to the extent the Proponent's Revised Proposal may be deemed a separate proposal from the Original Proposal, the Revised Proposal is excludable under Rule 14a-8(c) because the Proponent has exceeded the one-proposal rule.

CONCLUSION

Based upon the foregoing analysis, the Company requests the Staff concur that it will take no enforcement action if the Company excludes the Proposals from its 2021 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

Attachment

cc: Sean N. Markowitz
Executive Vice President, Chief Legal Officer and Corporate Secretary
Cheniere Energy, Inc.

Leonard Wood
Sidley Austin LLP

Stewart Taggart

EXHIBIT A

Stewart Taggart
***

May 20, 2020

Company Secretary
Cheniere Energy
700 Millam St. Suite 1900
Houston, Texas 77002

Dear Secretary,

Please accept the enclosed resolution to be put to a vote by shareholders at the company's 2021 Annual General Meeting (AGM).

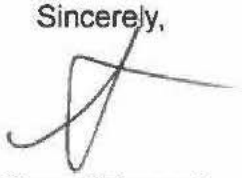
As you no doubt know, this resolution was voted upon at this year's AGM. It can re-submitted for a vote next year due to the high number of votes in favor that occurred this year.

Between now and the next AGM, I will almost certainly submit revisions to the resolution. Please be assured I will do so well before the submission deadline.

Proof of continued share ownership will similarly be provided closer to the day.

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

Sincerely,



Stewart Taggart

WHEREAS: Global action to reduce carbon emissions creates premature write down 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 megawatt-hour of electricity produced.

Coal produces 1.0-1.1 tonnes per megawatt-hour. 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 renewable energy, Liquid Natural Gas projects also have long construction lead times. Liquid Natural Gas projects also are bedevilled by ballooning cost overruns (unlike renewable energy, in general).

For their part, wind and solar face energy storage challenges. The question then becomes 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 write down 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 (such as shifting to hydrogen exports) 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 forms of renewable energy).

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

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Express

Extremely Urgent

ORIGIN ID:HNLA (808) 439-4272
STEWART TAGGART
***

SHIP DATE: 20MAY20
ACTWGT: 0.10 LB
CAD: ***

BILL THIRD PARTY

UNITED STATES US

TO COMPANY SECRETARY
CHENIERE ENERGY INC
700 MILAM ST
STE 1900
HOUSTON TX 77002
(718) 875-5000 REF:
INV:
PO: DEPT:

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FRI - 22 MAY 4:30P
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Delivered
Friday 5/22/2020 at 1:02 pm

DELIVERED

Signed for by: P.DELEON

GET STATUS UPDATES

OBTAIN PROOF OF DELIVERY

FROM	TO
KAILUA, HI US	HOUSTON, TX US

Travel History | Shipment Facts

TRACKING NUMBER
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SERVICE
FedEx 2Day

SIGNATURE SERVICES
Adult signature required

SPECIAL HANDLING SECTION
Deliver Weekday, Adult Signature Required

SHIP DATE
Wed 5/20/2020

ACTUAL DELIVERY
Fri 5/22/2020 1:02 pm

EXHIBIT B

Stewart Taggart
***

July 28, 2020

Corporate Secretary
Cheniere Energy
700 Milam St
Suite #1900
Houston, Texas 77002
(713) 375 5000

Dear Secretary

Please accept the resubmitted 2020 resolution below for a vote by shareholders at the company's 2021 Annual General Meeting.

The resolution seeks the company's views on the competitive longevity of the Liquid Natural Gas (LNG) industry and the company's LNG investments given the *Paris Accords* 2C objective of attaining 'net zero' emissions after 2050.

Such insight is critical for investors to develop long-term fair value assessments for the company's shares if investors deem carbon emissions relevant to corporate valuation.

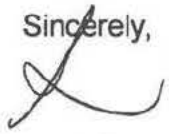
In coming days I will send confirmation of my company share holdings from *Fiduciary Trust Company International. JP Morgan,* DTC Participant #902, acting as custodian for *FTCI,* holds the shares in an 'omnibus structure' that does not allow identification of individual share holdings. As such, *JP Morgan* advises *FTCI* is the only party that can confirm my holding of the required number of shares for the required amount of time.

Should this prove insufficient, include that in your no action request to the SEC. That way, the SEC can rule whether shares held by *JP Morgan* as custodian are ineligible for use in shareholder resolutions -- an important clarification for investors to know.

I commit to holding my existing shares through the 2021 Annual General Meeting and beyond. Given this resolution's early submission, I may update its contents as time passes between now and the resolution filing deadline.

The best -- and ONLY way -- to contact me is by email at ***

Sincerely,



Stewart Taggart

SHAREHOLDER RESOLUTION

WHEREAS: Global efforts to reduce global carbon emissions creates risk for the Liquid Natural Gas industry. Investors must evaluate this risk in estimating fair value for the industry's companies.

'Scope Three' (or life-cycle) carbon emissions from Liquid Natural Gas are 0.61-0.84 tonnes of carbon equivalent per megawatt hour of electricity generated, according to the US *Department of Energy.* This includes upstream mining, fugitive emissions, pipelining, liquefying, shipping, regasifying, power plant delivery and electricity combustion.

Coal's Scope Three emissions are 1.0-1.1 tonnes per megawatt hour, the department says. Solar photovoltaic's emissions are around 0.40 tonnes per megawatt hour with wind around 0.12 tonnes, according to financial adviser and asset manager Lazard.

The United States 'social' (or 'negative externality') cost of carbon is $45 per tonne (in 2018 dollars), forecast to rise to $100 per tonne in 2040, according to the US *General Accounting Office.* The International Monetary Fund estimates market or administratively equivalent carbon prices of $70 (or higher) by 2030 are required to meet the *Paris Climate Accord's* 2050 2c targets.

Applying the carbon pricing and/or target emissions reductions above to Scope Three emissions reduces Liquid Natural Gas' market competitiveness, compounding existing industry problems like long lead times, slipping commission dates and ballooning cost overruns.

This matters because new build wind and solar installations are now cheaper, faster to deploy and more efficient to operate than natural gas plants, according to the *Rocky Mountain Institute, Lazard* and others. Wind and solar, however, face intermittency and storage challenges natural gas does not.

The question becomes: what carbon pricing, intermittency cost and/or administrative emission reductions levelizes low-emission energy's (like wind and solar's) intermittency and storage challenges with Liquid Natural Gas' Scope Three emissions challenges to mid century and beyond?

Elaboration by management on this is material. It addresses stranding and write down risk of huge capital investment as financial, regulatory and investment trends encourage or mandate carbon emissions reductions.

To cite one example, the central bankers group *Network for Greening the Financial System* seeks to have climate-related risks better evaluated at corporate board levels, used in risk management and applied in investment and strategy decisions.

To cite another, two *Federal Energy Regulatory Commission* members (LaFleur and Glick) have advocated carbon emissions be more closely examined in approving Liquid Natural Gas projects.

RESOLVED: The company shall prepare a report discussing price, amortization and obsolescence risk to existing and planned Liquid Natural Gas capital investments posed by carbon emissions reductions of 50% or higher applied to Scope Two and Scope Three emissions by 2030 (in line with the *Paris Accord's* 2C target) as well as 'net zero' emissions targets by 2050, also called for in the *Paris Accord* and what the company plans to do about managing this risk.

The report shall be produced at reasonable cost, omit proprietary information and cite sources.

ORIGIN ID:HNLA (808) 439-4726
STEWART TAGGART

***

UNITED STATES US

SHIP DATE: 28JUL20
ACTWGT: 0.20 LB
CAD: ***

BILL SENDER

TO CORPORATE SECRETARY
CHENIERE ENERGY
700 MILAM ST
SUITE #1900
HOUSTON TX 77002

(713) 375-5000

REF: SHAREHOLDING CONFIRMATION

INV

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FedEx Express

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Delivered
Friday 7/31/2020 at 9:03 am

DELIVERED

GET STATUS UPDATES

OBTAIN PROOF OF DELIVERY

FROM	TO
KAILUA, HI US	HOUSTON, TX US

Travel History | Shipment Facts

TRACKING NUMBER
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SERVICE
FedEx 2Day

SHIPPER REFERENCE
Shareholding confirmation

SPECIAL HANDLING SECTION
Deliver Weekday

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EXHIBIT C

From: Corporate Secretary <CorporateSecretary@cheniere.com>
Sent: Thursday, June 4, 2020 5:15 PM
To: Stewart Taggart***
Cc: Vlahakos, George J.
Subject: Shareholder Proposal
Attachments: 2020.06.04 - CEI Letter re_Taggart_14a-8_Proposal.pdf

Attached please find a response to your letter dated May 20, 2020.

CHENIERE
Cheniere Energy, Inc.
700 Milam Street, Suite 1900
Houston, TX 77002
Tel: (713) 375-5000
Fax: (713) 375-6000

June 4, 2020

VIA ELECTRONIC MAIL AND FEDEX

Stewart Taggart
***

Re: Letter of May 20, 2020

Dear Mr. Taggart:

This letter confirms receipt on May 22, 2020 of your letter giving notice of your intent to present a shareholder proposal at the 2021 Annual Meeting of Shareholders of Cheniere Energy, Inc. (the "Company," "we" or "our").

In accordance with the regulations of the U.S. Securities and Exchange Commission (the "SEC"), we are required to notify you of any eligibility or procedural deficiencies related to your proposal. Rule 14a-8(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), provides that shareholder proponents must submit sufficient proof of their continuous ownership of at least $2,000 in market value, or 1%, of a company's shares entitled to vote on the proposal for the one-year period preceding and including the date the proposal is submitted, and must continue to hold those shares through the date of the meeting.

As of the date of this letter, we have not received your proof of ownership of the Company's common stock or a written statement that you intend to continue ownership of the shares through the date of the 2021 Annual Meeting of Shareholders.

According to our records, you are not a registered holder of our common stock. As explained in Rule 14a-8(b), if you are not a registered holder of the Company's common stock, you may provide proof of ownership by submitting either:

- a written statement from the record holder of your shares (usually a bank or broker) verifying that you continuously held the requisite number or amount of shares of the Company's common stock for the one-year period preceding and including, the date you submitted your proposal; or

- if you have filed with the SEC a Schedule 13D, Schedule 13G, Form 3, Form 4 and/or Form 5, or amendments to those documents or updated forms, reflecting your ownership

of the required number or amount of shares of the Company's common stock as of or before the date on which the one-year eligibility period begins, a copy of the schedule and/or form, any subsequent amendments reporting a change in your ownership level and a written statement that you continuously held the required number or amount of shares for the preceding one-year period.

If you intend to demonstrate ownership by submitting a written statement from the "record" holder of your shares, please note that most large U.S. brokers and banks deposit their customers' securities with, and hold those securities through, the Depository Trust Company (the "DTC"), a registered clearing agency that acts as a securities depository (DTC is also known through the account name of Cede & Co.). Under SEC Staff Legal Bulletins No. 14F, dated October 18, 2011 ("SLB 14F") and 14G, dated October 16, 2012 ("SLB 14G"), only DTC participants or affiliated DTC participants are viewed as record holders of securities that are deposited at DTC. You can confirm whether your broker or bank is a DTC participant by asking your broker or bank or by checking DTC's participant list, which is available at http://www.dtcc.com/client-center/dtc-directories. You can obtain proof of ownership from the DTC participant through which the securities are held, as follows:

- If your broker or bank is a DTC participant, then you need to submit a written statement from your broker or bank verifying that you continuously held the required number or amount of shares of the Company's common stock for the one-year period preceding and including the date you submitted your proposal.

- If your broker or bank is not a DTC participant, then you need to submit proof of ownership from the DTC participant through which the shares are held verifying that you continuously held the required number or amount of shares of the Company's common stock for the one-year period preceding and including the date you submitted your proposal. You should be able to find out the identity of the DTC participant by asking your broker or bank. If your broker is an introducing broker, you may also be able to learn the identity and telephone number of the DTC participant through your account statements, because the clearing broker identified on your account statements will generally be a DTC participant. If the DTC participant that holds your shares is not able to confirm your individual holdings but is able to confirm the holdings of your broker or bank, then you need to satisfy the proof of ownership requirements by obtaining and submitting two proof of ownership statements verifying that, for the one-year period preceding and including the date you submitted your proposal, the required number or amount of shares of the Company's common stock were continuously held: (1) one from your broker or bank confirming your ownership and (2) the other from the DTC participant confirming the broker or bank's ownership.

As discussed above, in order for your proposal to be eligible, you must provide proof of beneficial ownership of the Company's common stock from the record holder of your shares verifying continuous ownership of at least $2,000 in market value, or 1%, of the Company's common stock for the one-year period preceding and including May 20, 2020, the date of your

letter, and must also submit a written statement that you intend to continue ownership of the shares through the date of the 2021 Annual Meeting of Shareholders.

The SEC's Rule 14a-8 requires that your proof of ownership that satisfies the requirements of Rule 14a-8 be postmarked or transmitted electronically to the Company no later than 14 calendar days from the date you receive this letter. Please direct any response to me using the following contact information:

Sean N. Markowitz
Executive Vice President, Chief Legal Officer and Corporate Secretary
Cheniere Corporate Headquarters
700 Milam St., Suite 1900
Houston, TX 77002

Finally, please note that in addition to the eligibility deficiency cited above, the Company reserves the right in the future to raise any further bases upon which your proposal may be properly excluded under Rule 14a-8 of the Exchange Act.

If you have any questions regarding this matter, I can be reached at Sean.Markowitz@cheniere.com. For your reference, I have enclosed copies of Rule 14a-8, SLB 14F and SLB 14G.

Sincerely,

Sean N. Markowitz
Executive Vice President, Chief Legal Officer and Corporate Secretary

cc: George Vlahakos, Sidley Austin LLP

Enclosures

Rule 14a-8

Title 17: Commodity and Securities Exchanges

PART 240—GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934

§ 240.14a-8 Shareholder proposals.

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

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

(b) Question 2: Who is eligible to submit a proposal, and how do I demonstrate to the company that I am eligible?

> (1) In order to be eligible to submit a proposal, you must have continuously held at least $2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal. You must continue to hold those securities through the date of the meeting.
>
> (2) If you are the registered holder of your securities, which means that your name appears in the company's records as a shareholder, the company can verify your eligibility on its own, although you will still have to provide the company with a written statement that you intend to continue to hold the securities through the date of the meeting of shareholders. However, if like many shareholders you are not a registered holder, the company likely does not know that you are a shareholder, or how many shares you own. In this case, at the time you submit your proposal, you must prove your eligibility to the company in one of two ways:
>
> > (i) The first way is to submit to the company a written statement from the "record" holder of your securities (usually a broker or bank) verifying that, at the time you submitted your proposal, you continuously held the securities for at least

one year. You must also include your own written statement that you intend to continue to hold the securities through the date of the meeting of shareholders; or

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

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

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

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

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

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

(e) Question 5: What is the deadline for submitting a proposal?

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

(2) The deadline is calculated in the following manner if the proposal is submitted for a regularly scheduled annual meeting. The proposal must be received at the company's principal executive offices not less than 120 calendar days before the date of the company's proxy statement released to shareholders in connection with the previous year's annual meeting. However, if the company did not hold an annual meeting the previous year, or if the date of this year's annual meeting has been changed by more than 30 days from the date of the previous year's meeting, then the deadline is a reasonable time before the company begins to print and send its proxy materials.

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

(f) Question 6: What if I fail to follow one of the eligibility or procedural requirements explained in answers to Questions 1 through 4 of this section?

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

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

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

(h) Question 8: Must I appear personally at the shareholders' meeting to present the proposal?

(1) Either you, or your representative who is qualified under state law to present the proposal on your behalf, must attend the meeting to present the proposal. Whether you attend the meeting yourself or send a qualified representative to the meeting in your place, you should make sure that you, or your representative, follow the proper state law procedures for attending the meeting and/or presenting your proposal.

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

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

(i) Question 9: If I have complied with the procedural requirements, on what other bases may a company rely to exclude my proposal?

(1) Improper under state law: If the proposal is not a proper subject for action by shareholders under the laws of the jurisdiction of the company's organization;

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

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

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

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

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

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

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

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

(8) Director elections: If the proposal:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(j) Question 10: What procedures must the company follow if it intends to exclude my proposal?

(1) If the company intends to exclude a proposal from its proxy materials, it must file its reasons with the Commission no later than 80 calendar days before it files its definitive

proxy statement and form of proxy with the Commission. The company must simultaneously provide you with a copy of its submission. The Commission staff may permit the company to make its submission later than 80 days before the company files its definitive proxy statement and form of proxy, if the company demonstrates good cause for missing the deadline.

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

(i) The proposal;

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

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

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

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

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

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

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

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

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

(2) However, if you believe that the company's opposition to your proposal contains materially false or misleading statements that may violate our anti-fraud rule, §240.14a-9, you should promptly send to the Commission staff and the company a letter explaining the

reasons for your view, along with a copy of the company's statements opposing your proposal. To the extent possible, your letter should include specific factual information demonstrating the inaccuracy of the company's claims. Time permitting, you may wish to try to work out your differences with the company by yourself before contacting the Commission staff.

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

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

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

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

U.S. Securities and Exchange Commission

Division of Corporation Finance
Securities and Exchange Commission

Shareholder Proposals

Staff Legal Bulletin No. 14F (CF)

Action: Publication of CF Staff Legal Bulletin

Date: October 18, 2011

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

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

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

[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.").

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.

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[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.

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/downloads/membership/directories/dtc/alpha.pdf.

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]

[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.

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

[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.

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]

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[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.

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

[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.

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.

[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.

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://tts.sec.gov/cgi-bin/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.

[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.

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

[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.

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.

EXHIBIT D

Stewart Taggart
***

August 4, 2020

Corporate Secretary
Cheniere Energy
700 Milam St
Suite #1900
Houston, Texas 77002 (713) 375 5000

Dear Corporate Secretary,

On Friday, you received a revised shareholder resolution from me for presentation to the 2021 Annual General Meeting. Enclosed is a Federal Express tracking number and delivery record.

That shareholder resolution replaces one I filed earlier but missed the deadline for providing proof of company share ownership.

That occurred because of delays in getting confirmation of share holdings from *JP Morgan,* the share custodian for my retail financial institution *Fiduciary Trust Co. Inc.*

The issue involved arcane share custody technicalities. *JP Morgan,* the custody institution, uses an 'omnibus structure' which -- translated --means individual shareholdings can't be individually identified.

That, in turn, makes *FTCI* the sole party able to provide such verification.

It took a while for me to all this straightened out after submitting my initial resolution. The result: I missed the window (14 days as I remember) to submit proof of share ownership.

My resubmitted resolution delivered late last week followed in short order by this shareholding confirmation should square all this away.

Sincerely,

Stewart Taggart

Fiduciary Trust International

Fiduciary Trust International
280 Park Avenue
New York, NY 10017
tel (212) 632-3323
fiduciarytrust.com

Wednesday, July 29, 2020

Corporate Secretary
Cheniere Energy
700 Milam Street, Suite #1900
Houston, TX 77002
United States of America

Subject: Shareholder Confirmation Letter

Dear To Whom it May Concern, Cheniere Energy.

Stewart Taggart, as trustee of the Stewart and Rebecca Taggart Revocable Trust held by Fiduciary Trust Company International (FTCI), has owned continuously to this day without interruption 70 shares of Cheniere Energy since 6/8/2017 date.

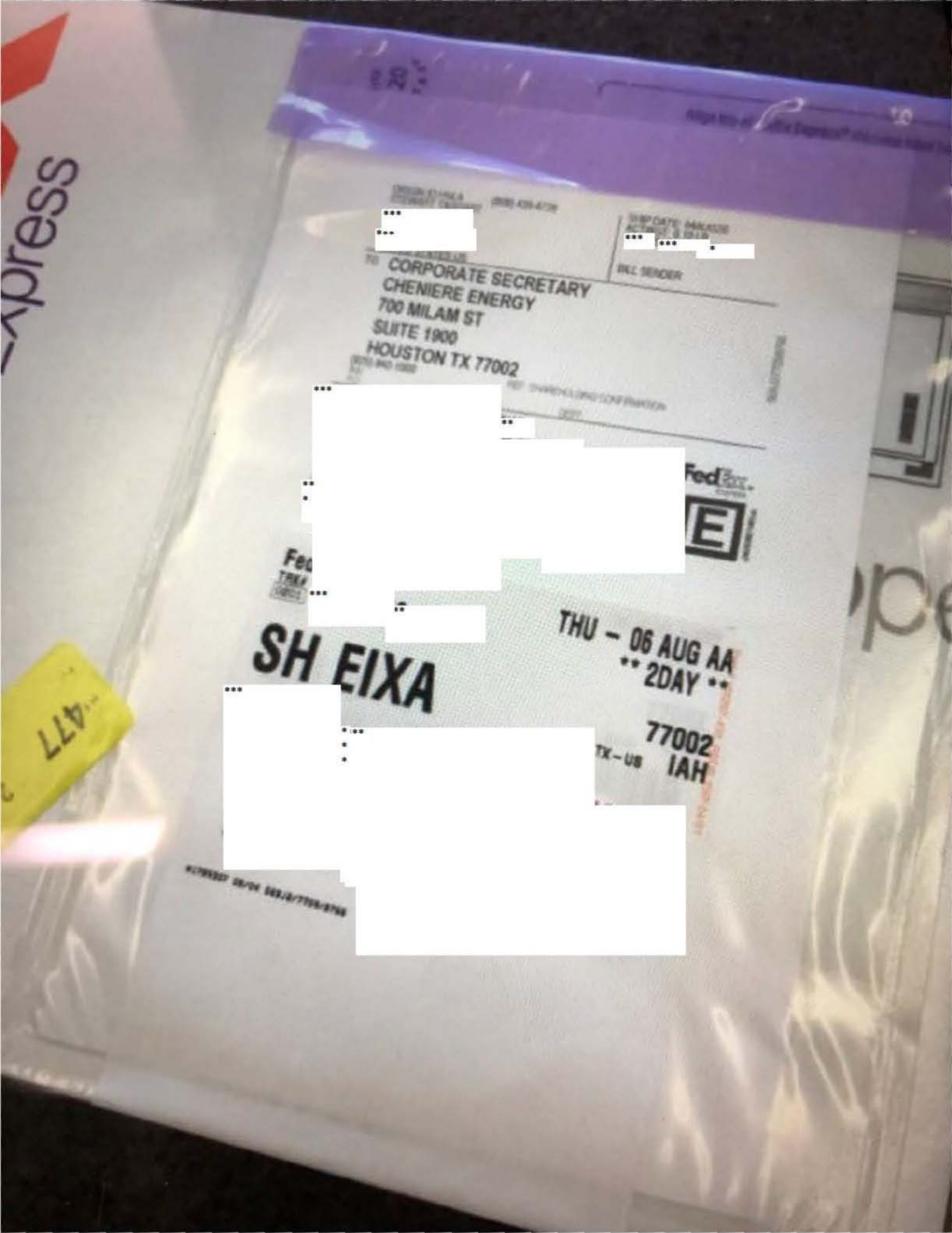
The shares are held on Fiduciary's behalf by JP Morgan, a DTC participant number 902, in an omnibus structure that does not allow JP Morgan to see or know the name(s) of the underlying beneficial owner account at Fiduciary.

As a result, Fiduciary is the only party that can confirm the claimed share numbers of Cheniere Energy stock are held on behalf of Stewart and Rebecca Taggart in the specified account, and we confirm the continuous holdings above.

Sincerely,

Nicholas J. Imbriale

Nicholas Imbriale
VP, Relationship Manager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Thursday 8/06/2020 at 1:14 pm

DELIVERED

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OBTAIN PROOF OF DELIVERY

FROM	TO
KAILUA, HI US	HOUSTON, TX US

Travel History | Shipment Facts

TRACKING NUMBER
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SHIPPER REFERENCE
Shareholding confirmation

SPECIAL HANDLING SECTION
Deliver Weekday

SHIP DATE
Tue 8/04/2020

ACTUAL DELIVERY
Thu 8/06/2020 1:14 pm