



DIVISION OF  
CORPORATION FINANCE

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

February 27, 2023

Paul L. Choi  
Sidley Austin LLP

Re: Abbott Laboratories (the "Company")  
Incoming letter dated December 16, 2022

Dear Paul L. Choi:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by John Chevedden for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Proposal requests the board to take the steps necessary to amend the appropriate Company governing documents to give the owners of a combined 10% of the Company's outstanding common stock the power to call a special shareholder meeting.

We are unable to concur in your view that the Company may exclude the Proposal under Rule 14a-8(i)(2). We are unable to conclude that the Proposal, if implemented, would cause the Company to violate Illinois law.

Copies of all of the correspondence on which this response is based will be made available on our website at <https://www.sec.gov/corpfin/2022-2023-shareholder-proposals-no-action>.

Sincerely,

Rule 14a-8 Review Team

cc: John Chevedden



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ONE SOUTH DEARBORN STREET  
CHICAGO, IL 60603

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PCHOI@SIDLEY.COM

December 16, 2022

## By Email

[Shareholderproposals@sec.gov](mailto:Shareholderproposals@sec.gov)  
Securities and Exchange Commission  
Division of Corporation Finance  
Office of Chief Counsel  
100 F Street, N.E.  
Washington, D.C. 20549

Re: Abbott Laboratories - Shareholder Proposal Submitted by John Chevedden

Dear Ladies and Gentlemen:

On behalf of Abbott Laboratories (“Abbott” or the “Company”) and pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended, we hereby request confirmation that the staff (the “Staff”) of the Securities and Exchange Commission (the “Commission” or the “SEC”) will not recommend enforcement action if, in reliance on Rule 14a-8, Abbott excludes a shareholder proposal submitted on October 2, 2022 (together with the supporting statement, the “Proposal”) by John Chevedden (the “Proponent”) from the proxy materials for Abbott’s 2023 annual shareholders’ meeting (the “2023 Proxy Materials”), which Abbott expects to file in definitive form with the SEC on or about March 17, 2023.

Pursuant to Rule 14a-8(j),

- (a) a copy of the Proposal and all relevant correspondence exchanged with the Proponent with respect to the Proposal is attached hereto as Exhibit A; and
- (b) a copy of this letter is being sent to notify the Proponent of Abbott’s intention to omit the Proposal from the 2023 Proxy Materials.

Pursuant to *Staff Legal Bulletin No. 14D* (Nov. 7, 2008), this letter and its exhibits are being submitted to [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov).

On behalf of Abbott, we hereby request that the Staff concur with the omission of the Proposal from the 2023 Proxy Materials for the reasons set forth in this letter.

## THE PROPOSAL

The Proposal relates to the amendment of the Company's governing documents in order to allow shareholders to call a special meeting of shareholders. The text of the Proposal, in pertinent part, states:

Shareholders ask our board to take the steps necessary to amend the appropriate company governing documents to give the owners of a combined 10% of our outstanding common stock the power to call a special shareholder meeting.

## ARGUMENT

### **The Proposal May be Excluded Under Rule 14a-8(i)(2) Because Implementation of the Proposal Would Cause the Company to Violate Illinois Law.**

Rule 14a-8(i)(2) permits the omission of a shareholder proposal that would, if implemented, cause a company to violate applicable law. For the reasons set forth below and in the legal opinion regarding Illinois law from Sidley Austin LLP attached hereto as Exhibit B (the "Illinois Law Opinion"), the Company believes that the Proposal, if implemented, would cause the Company to violate the Illinois Business Corporation Act of 1983 (the "IBCA").

The Proposal requests that the board of directors of the Company (the "Board") amend the Company's "governing documents" to permit holders of "a combined 10%" of the Company's outstanding common stock to call special meetings of the Company's shareholders.

The Company's "governing documents" for purposes of a potential right to call a special meeting of shareholders are the Company's Amended and Restated Articles of Incorporation (the "Articles") and the Company's By-Laws, as amended and restated effective September 15, 2022 (the "By-Laws"). The Articles do not contain a provision regarding the right of shareholders to call a special meeting, and Article II, Section 2 of the By-Laws provides in relevant part that:

Special meetings of the shareholders may be called by the Chairman of the Board, the Chief Executive Officer, any President, the Board of Directors or by a

shareholder (or shareholders) holding not less than one-fifth of all the outstanding shares entitled to vote on the matter for which the meeting is called.

The Proposal seeks to require the Company to amend its Articles or By-Laws to fix a 10% of outstanding common stock threshold for exercising this right.

The Company is an Illinois corporation and is therefore subject to the IBCA. Section 7.05 of the IBCA provides that “[s]pecial meetings of the shareholders may be called . . . by the holders of *not less than* one-fifth of all the outstanding shares entitled to vote on the matter for which the meeting is called . . . .” (emphasis added).

Furthermore, Section 2.25 of the IBCA provides that an Illinois corporation’s “by-laws may contain any provisions for the regulation and management of the affairs of the corporation not inconsistent with law . . . .”

As discussed in the Illinois Law Opinion, given the plain language of Section 7.05 of the IBCA providing for a minimum threshold of “not less than one-fifth” for purposes of a shareholder right to call a special meeting, implementation of the amendment to the By-Laws requested by the Proposal would cause the Company to violate the IBCA.

The Staff previously has concurred that shareholder proposals requesting a by-law amendment to impose a threshold for a shareholder right to call a special meeting that would be lower than the minimum threshold mandated by state law, and therefore cause the Company to violate state law, could be properly omitted under Rule 14a-8(i)(2). *See Crown Holdings Inc.* (avail. Mar. 2, 2021). More generally, the Staff has also previously concurred that shareholder proposals requesting organizational document amendments (or actions that would require organizational document amendments) that would cause a company to violate applicable state law can be properly omitted under Rule 14a-8(i)(2). *See, e.g., Elevance Health, Inc.* (avail. Mar. 31, 2022) (concurring with exclusion under Rule 14a-8(i)(2) of a shareholder proposal requesting that the board of directors take the necessary steps to permit written consent by shareholders entitled to cast the minimum number of votes necessary to authorize the action at a meeting where Indiana law prohibited action by less than unanimous written consent for corporations with a class of voting shares registered under Section 12 of the Exchange Act); *IDACORP, Inc.* (avail. Mar. 13, 2012) (concurring with exclusion under Rule 14a-8(i)(2) of a shareholder proposal requesting that the company amend its bylaws to implement majority voting for director elections where Idaho law provided for plurality voting unless modified by a company’s certificate of incorporation).

For these reasons, the Proposal may be excluded from the Company's 2023 Proxy Materials under Rule 14a-8(i)(2), as it would cause the Company to violate the IBCA.

## CONCLUSION

For the foregoing reasons, on behalf of Abbott, we request your confirmation that the Staff will not recommend any enforcement action to the Commission if the Proposal is omitted from the 2023 Proxy Materials for the reasons described in this letter.

If the Staff has any questions, or if for any reason the Staff does not agree that Abbott may omit the Proposals from its 2023 Proxy Materials, please contact me at (312) 853-2145 or pchoi@sidley.com.

Sincerely yours,



Paul L. Choi

Enclosure: Exhibits

cc: John Chevedden [REDACTED]

# SIDLEY

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Exhibit A

Proposal and Relevant Correspondence

*See attached.*

PII

JOHN CHEVEDDEN

PII

Mr. Hubert L. Allen  
Corporate Secretary  
Abbott Laboratories (ABT)  
100 Abbott Park Rd  
North Chicago IL 60064-6400  
[REDACTED]

Dear Mr. Allen,

This Rule 14a-8 proposal is respectfully submitted in support of the long-term performance of our company.

This Rule 14a-8 proposal is intended as a low-cost method to improve company performance – especially compared to the substantial capitalization of our company.

This proposal is for the next annual shareholder meeting.

I intend to continue to hold through the date of the Company's 2023 Annual Meeting of Stockholders the requisite amount of Company shares used to satisfy the applicable ownership requirement.

This submitted format, with the shareholder-supplied emphasis, is intended to be used for definitive proxy publication.

Please assign the proper sequential proposal number in each appropriate place.

I expect to forward a broker letter soon so if you acknowledge this proposal in an email message it may very well save you from formally requesting a broker letter from me.

PII

*October 2, 2022*

Date

cc: Aaron Rice [REDACTED]@abbott.com>  
Jessica Paik <[REDACTED]@abbott.com>

[ABT – Rule 14a-8 Proposal, October 2, 2022]  
[This line and any line above it is not for publication.]  
**Proposal 4 – Special Shareholder Meeting Improvement**

Shareholders ask our board to take the steps necessary to amend the appropriate company governing documents to give the owners of a combined 10% of our outstanding common stock the power to call a special shareholder meeting. This includes that each shareholder shall have an equal right per share to formally participate in the calling for a special shareholder meeting.

Currently it takes a theoretical 20% of all shares outstanding to call for a special shareholder meeting. This theoretical 20% of all shares outstanding translates into 26% of the shares that vote at our annual meeting. It would be hopeless to expect than the shares that do not have the time to vote would have the time for the intricate procedural steps to call for a special shareholder meeting.

Then it appears that all the shares that are held in street name are 100% disqualified from participating in the calling of a special shareholder meeting. If 50% of Abbott shares are held in street name then it would take 52% of the shares that vote at the annual meeting (26% times 2) to call for a special shareholder meeting. Thus a theoretical 20% figure to call for special meeting translates into an almost impossible 52% figure which is like have no right at all to call for a special shareholder meeting.

A more reasonable shareholder right to call for a special shareholder meeting to could be used to elect a new director. It could also be an incentive for our directors to take their jobs more seriously. The following directors received a substantial number of negative votes at our 2022 annual meeting:

|                 |                      |                            |
|-----------------|----------------------|----------------------------|
| Nancy McKinstry | 312 million negative | Audit Committee Chair      |
| William Osborn  | 107 million negative | Governance Committee Chair |
| John Stratton   | 102 million negative |                            |

This is a best practice governance proposal in the same spirit as the 2020 simple majority vote proposal to reform our undemocratic 67% shareholder voting thresholds that won our 84% support and was adopted in 2021.

Shareholder votes for shareholder proposals are having a positive impact.

Please vote yes:

**Special Shareholder Meeting Improvement – Proposal 4**

[The line above – Is for publication. Please assign the correct proposal number in the 2 places.]



Notes:

"Proposal 4" stands in for the final proposal number that management will assign.

This proposal is believed to conform with Staff Legal Bulletin No. 14B (CF), September 15, 2004 including (emphasis added):

Accordingly, going forward, we believe that it would not be appropriate for companies to exclude supporting statement language and/or an entire proposal in reliance on rule 14a-8(l)(3) in the following circumstances:

- the company objects to factual assertions because they are not supported;
- the company objects to factual assertions that, while not materially false or misleading, may be disputed or countered;
- the company objects to factual assertions because those assertions may be interpreted by shareholders in a manner that is unfavorable to the company, its directors, or its officers; and/or
- the company objects to statements because they represent the opinion of the shareholder proponent or a referenced source, but the statements are not identified specifically as such.

**We believe that it is appropriate under rule 14a-8 for companies to address these objections in their statements of opposition.**

See also: Sun Microsystems, Inc: (July 21, 2005).

The stock supporting this proposal will be held until after the annual meeting and the proposal will be presented at the annual meeting. Please acknowledge this proposal promptly by email

The color version of the below graphic is to be published immediately after the bold title line of the proposal at the **beginning** of the proposal and be **center justified**.

This proposal is not intended to be more than 500 words. Should it exceed 500 words then the words that exceed 500 words would be taken out of the proposal starting with the last sentence of the proposal and moving upwards as needed to omit full sentences.



PII

JOHN CHEVEDDEN

PII

Mr. Hubert L. Allen  
Corporate Secretary  
Abbott Laboratories (ABT)  
100 Abbott Park Rd  
North Chicago IL 60064-6400  
PH: [REDACTED]

Revised November 16, 2022

Dear Mr. Allen,

This Rule 14a-8 proposal is respectfully submitted in support of the long-term performance of our company.

This Rule 14a-8 proposal is intended as a low-cost method to improve company performance – especially compared to the substantial capitalization of our company.

This proposal is for the next annual shareholder meeting.

I intend to continue to hold through the date of the Company's 2023 Annual Meeting of Stockholders the requisite amount of Company shares used to satisfy the applicable ownership requirement.

This submitted format, with the shareholder-supplied emphasis, is intended to be used for definitive proxy publication.

Please assign the proper sequential proposal number in each appropriate place.

I expect to forward a broker letter soon so if you acknowledge this proposal in an email message it may very well save you from formally requesting a broker letter from me.

PII

October 2, 2022  
Date

cc: Aaron Rice [REDACTED]@abbott.com>  
Jessica Paik [REDACTED]@abbott.com>

**Proposal 4 – Special Shareholder Meeting Improvement**

Shareholders ask our Board to take the steps necessary to amend the appropriate company governing documents to give the owners of a combined 10% of our outstanding common stock the power to call a special shareholder meeting.

One of the main purposes of this proposal is to give all shareholders the right to formally participate in calling for a special shareholder meeting regardless of length of stock ownership to the fullest extent possible.

Currently it takes a theoretical 20% of all shares outstanding to call for a special shareholder meeting. This theoretical 20% of all shares outstanding translates into 26% of the shares that vote at our annual meeting. It would be hopeless to expect that the shares that do not have the time to vote would have the time for the intricate procedural steps to call for a special shareholder meeting.

Then it appears that all the shares that are held in street name are 100% disqualified from participating in the calling of a special shareholder meeting. If 50% of Abbott shares are held in street name then it would take 52% of the shares that vote at the annual meeting (26% times 2) to call for a special shareholder meeting. Thus a theoretical 20% figure to call for special meeting translates into an almost impossible 52% figure which is like have no right at all to call for a special shareholder meeting.

This proposal topic won 47%-support at the 2022 Abbott Laboratories annual meeting. This is in spite of the fact that the 2022 proposal did not point out that street name shareholders are excluded from formally participating in calling for a special shareholder meeting at Abbott Laboratories.

A more reasonable shareholder right to call for a special shareholder meeting could be used to elect a new director. It could also be an incentive for our directors to take their jobs more seriously. The following directors received a substantial number of against votes at our 2022 annual meeting:

|                 |                     |                            |
|-----------------|---------------------|----------------------------|
| Nancy McKinstry | 312 million against | Audit Committee Chair      |
| William Osborn  | 107 million against | Governance Committee Chair |
| John Stratton   | 102 million against |                            |

Calling for a special shareholder meeting is hardly ever used by shareholders but the main point of the right to call for a special shareholder meeting is that it gives shareholders at least significant standing to engage effectively with management.

Management will have an incentive to genuinely engage with shareholders, instead of stonewalling, if shareholders have a realistic Plan B option of calling a special shareholder meeting.

Please vote yes:

**Special Shareholder Meeting Improvement – Proposal 4**

[The line above – *Is* for publication. Please assign the correct proposal number in the 2 places.]



Notes:

“Proposal 4” stands in for the final proposal number that management will assign.

This proposal is believed to conform with Staff Legal Bulletin No. 14B (CF), September 15, 2004 including (emphasis added):

Accordingly, going forward, we believe that it would not be appropriate for companies to exclude supporting statement language and/or an entire proposal in reliance on rule 14a-8(l)(3) in the following circumstances:

- the company objects to factual assertions because they are not supported;
- the company objects to factual assertions that, while not materially false or misleading, may be disputed or countered;
- the company objects to factual assertions because those assertions may be interpreted by shareholders in a manner that is unfavorable to the company, its directors, or its officers; and/or
- the company objects to statements because they represent the opinion of the shareholder proponent or a referenced source, but the statements are not identified specifically as such.

**We believe that it is appropriate under rule 14a-8 for companies to address these objections in their statements of opposition.**

See also: Sun Microsystems, Inc. (July 21, 2005).

The stock supporting this proposal will be held until after the annual meeting and the proposal will be presented at the annual meeting. I intend to continue holding the same required amount of Company shares through the date of the Company’s 2023 Annual Meeting of Stockholders as is/will be documented in my ownership proof.

Please acknowledge this proposal promptly by email [REDACTED]

I do not intend that dashes (–) in the proposal be replaced by hyphens (-).  
Please alert the proxy editor.

The color version of the below graphic is to be published immediately after the bold title line of the proposal at the **beginning** of the proposal and be **center justified**.



---

From: John Chevedden [REDACTED]  
Sent: Sunday, October 2, 2022 6:08 PM  
To: Rice, Aaro [REDACTED]@abbott.com>; Paik, Jessica [REDACTED]@abbott.com>  
Subject: Rule 14a-8 Proposal (ABT)

[EXTERNAL EMAIL: Only click links or open attachments if you recognize the sender and know the content is safe.](#)

Dear Mr. Allen,  
Please see the attached rule 14a-8 proposal.  
John Chevedden

Rule 14a-8 Proposal (ABT) REVISED



John Chevedden

PII

To Rice, Aaron; Paik, Jessica; Malec, Keisha

Reply Reply All Forward

Wed 11/16/2022 10:05 AM

16112022\_2.pdf  
760 KB

**EXTERNAL EMAIL:** Only click links or open attachments if you recognize the sender and know the content is safe.

Rule 14a-8 Proposal (ABT) REVISED

Dear Mr. Rice,  
Please see the attached rule 14a-8 proposal.  
John Chevedden



# SIDLEY

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Exhibit B

Illinois Law Opinion

*See attached.*



SIDLEY AUSTIN LLP  
ONE SOUTH DEARBORN STREET  
CHICAGO, IL 60603  
+1 312 853 7000  
+1 312 853 7036 FAX

AMERICA • ASIA PACIFIC • EUROPE

December 16, 2022

Abbott Laboratories  
100 Abbott Park Road  
Abbott Park, IL 60064

Re: Shareholder Proposal Submitted by Mr. John Chevedden

Ladies and Gentlemen:

This letter is in response to your request for our opinion regarding a shareholder proposal (the “Proposal”) submitted to Abbott Laboratories (“Abbott”) by Mr. John Chevedden. Specifically, you have requested our opinion as to whether the Proposal, if implemented, would cause Abbott to violate Illinois law.

## **I. The Proposal**

The Proposal requests that Abbott amend its appropriate company governing documents (in this case, the bylaws) to lower the minimum percentage of shares required for shareholders to call a special meeting from 20 percent of outstanding common stock to 10 percent of outstanding common stock.

The relevant text of the Proposal reads:

Shareholders ask our board to take the steps necessary to amend the appropriate company governing documents to give the owners of a combined 10% of our outstanding common stock the power to call a special shareholder meeting.

Abbott is an Illinois corporation subject to the Illinois Business Corporation Act (“IBCA”) of 1983. It is our opinion that the Proposal, if implemented, would cause Abbott to violate Illinois law because the IBCA establishes a strict 20 percent minimum threshold for shareholders to call a special meeting and does not contain any language that would authorize a corporation to establish a lower threshold. Our reasoning is set forth below.



## II. The Proposal, if Implemented Would Cause Abbott to Violate Illinois Law

### A. Text of the Illinois Business Corporation Act

Illinois courts have not addressed whether corporations may establish a threshold for shareholders to call a special meeting that is below the 20 percent threshold set in the IBCA. Therefore, we look to the text of the IBCA, interpreted in accordance with the principles of statutory construction laid out by the Illinois Supreme Court. The text of the IBCA establishes that, for shareholders to call a special meeting, approval by at least 20 percent of all the outstanding shares entitled to vote at the meeting is required, and corporations may not establish a lower threshold.

The relevant provision of the IBCA states that:

Special meetings of the shareholders may be called by the president, by the board of directors, **by the holders of not less than one-fifth of all the outstanding shares entitled to vote on the matter for which the meeting is called** or by such other officers or persons as may be provided in the articles of incorporation or the by-laws.

805 ILCS 5/7.05 (emphasis added). Under Illinois law, “[t]he primary objective of statutory construction is to ascertain and give effect to the true intent of the legislature. ... The most reliable indicator of legislative intent is the language of the statute, given its plain and ordinary meaning.” *People v. Casler*, 2020 IL 125117, ¶ 24. The text of the IBCA establishes that “**not less than one-fifth**” of shares entitled to vote at the special meeting may approve calling the meeting. The plain and ordinary meaning of this statutory provision thus establishes that one-fifth of shares is a minimum requirement, and corporations organized under the laws of Illinois cannot permit less than one-fifth of shares to call a special meeting.

The IBCA’s provision for meetings called “by such other officers or persons as may be provided in the articles of incorporation or the by-laws” does not alter the plain meaning of the text. According to the Illinois Supreme Court, when interpreting statutes, “[a] court must view the statute as a whole, construing words and phrases in light of other relevant statutory provisions and not in isolation.” *Casler* at ¶ 24. To read the statutory language regarding “such other officers or persons” to permit a corporation to hold special meetings called by less than one-fifth of shares—for example, by seeking to include shareholders as “other officers or persons”—would fail to understand the statute as a coherent whole. Such an interpretation would effectively write out “not less than” from the statute since, on that interpretation, any corporation could simply ignore the “not less than” requirement and amend its bylaws or charter to allow a special meeting to be called by as few shares as it desired.

*B. Comparisons to the Model Business Corporation Act and Approaches in Other States*

A review of the Model Business Corporation Act’s history of revisions, as well as comparisons to similar provisions in other states, both provide further support for this interpretation of the IBCA. The Model Business Corporation Act is a model act drafted and periodically amended by the Corporate Laws Committee of the Business Law Section of the American Bar Association (Committee). Versions of the MBCA have been adopted by numerous jurisdictions, and the MBCA provides an important reference for the promulgation of corporate statutes.

The IBCA was enacted in 1983. The text of the law as originally enacted included the “not less than one fifth” language. P.A. 83-1025 § 7.05. At that time, the Model Business Corporation Act (“MBCA”) also fixed a minimum percentage for the number of shares required to call a special meeting. MODEL BUSINESS CORPORATION ACT ANNOTATED, 2013-2014 Edition, Vol. 2, Ch. 7 at 12-13 (noting that the 1969 Model Act provided that “holders of not less than 10% of the voting shares...could call a special meeting”). In 1996, the MBCA was amended to explicitly authorize a corporation to establish a shareholder vote threshold for calling a special meeting that was lower than the statutory minimum. MBCA § 7.02(a)(2) (“[T]he articles of incorporation may fix a lower percentage or a higher percentage not exceeding 25% of all the votes entitled to be cast on any issue proposed to be considered.”). This addition, adopted 13 years after the IBCA’s enactment, implies that prior language setting a minimum percentage of shares required to call a special meeting—such as the language in the IBCA and the pre-1996 MBCA—was something that could not be varied, whether by amendment to the articles of incorporation or otherwise. To understand the language otherwise would render superfluous the 1996 addition to the MBCA permitting corporations to “fix a lower percentage.”

Moreover, as demonstrated by the 1996 MBCA, it is clear how a statute can provide corporations with the authority to establish a shareholder vote threshold for calling a special meeting that is below the statutory minimum. A number of states have done just that. *See e.g.* D.C. Code Ann. §§ 29-305.02 (providing that “the articles of incorporation may fix a lower percentage or a higher percentage not exceeding 25% of all the votes entitled to be cast on any issue proposed to be considered”); Ga. Code Ann. § 14-2-702 (allowing special meetings to be called by “such greater or lesser percentage as may be provided in the articles of incorporation or bylaws”); Mass. Gen. Laws Ann. Ch. 156D, § 7.02 (setting a 40 percent minimum “unless otherwise provided in the articles of organization or bylaws”). *See also Olson v. Wells Fargo Bank, N.A.*, 961 F. Supp. 2d 1149, 1158 n.8 (C.D. Cal. 2013) (noting the difference between Cal. Corp. Code § 600(d) where “special meetings may be called by shareholders ‘entitled to cast not less than 10 percent of the votes at the meeting’” and Del. Gen. Corp. Law § 211(d) where “special meetings may be called as ‘authorized by the certificate of incorporation or by the

# SIDLEY

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bylaws”). The Illinois legislature, in contrast, has not adopted such language,<sup>1</sup> instead maintaining a clear statutory minimum with no room for individual corporations to set a threshold below that minimum.

### III. Conclusion

Based upon and subject to the foregoing, it is our opinion that the Proposal, if implemented, would cause Abbott to violate Illinois law.

Very truly yours,



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<sup>1</sup> This stands in contrast to other sections of the IBCA, where the Illinois legislature did explicitly provide for a means of deviating from a statutorily established requirement. *See, e.g.*, 805 ILCS 5/10.20 (“The articles of incorporation of a corporation may supersede the two-thirds vote requirement of subsection (c) by specifying any smaller or larger vote requirement...”); 805 ILCS 5/11.20 (similar); 805 ILCS 5/11.60 (similar); 805 ILCS 5/12.15 (similar). Note, these statutory provisions also contain “not less than” language to establish a minimum threshold, demonstrating the legislature’s intent to use “not less than” language to establish a hard floor, even where it is otherwise allowing for variation to a requirement.

December 18, 2022

Office of Chief Counsel  
Division of Corporation Finance  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

**# 1 Rule 14a-8 Proposal**  
**Abbott Laboratories (ABT)**  
**Special Shareholder Meeting Improvement**  
**John Chevedden**

Ladies and Gentlemen:

This is a counterpoint to the December 16, 2022 no-action request.

The proponent's 2022 proposal called for the same 10% threshold. It was published in the company 2022 proxy per the attachment. It received 47% support per the second attachment.

Sincerely,

  
John Chevedden

cc: Aaron Rice

January 22, 2023

Office of Chief Counsel  
Division of Corporation Finance  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

**# 2 Rule 14a-8 Proposal**  
**Abbott Laboratories (ABT)**  
**Special Shareholder Meeting Improvement**  
**John Chevedden**

Ladies and Gentlemen:

This is a counterpoint to the December 16, 2022 no-action request.

The proponent's 2022 proposal called for the same 10% threshold as the 2023 proposal. It was published in the company 2022 proxy. It received 47% support per the previous attachment.

If management is correct about the 20% threshold, then the proponent should be able to revise the proposal because management appears to be playing games with the 2022 proposal on this topic that won 47% shareholder support.

Attached is the management opposition to the 2022 proposal calling for "a combined 10% of our outstanding common stock the power to call a special shareholder meeting."

There is no statement about Illinois law in the 2022 annual meeting proxy per the attachment. If management is correct about Illinois law it appears that management knew about Illinois law in 2022. Thus it appears that management knowingly withheld information on Illinois law in 2022 and once management saw close to majority support for the 2022 proposal then management belatedly claimed it is in violation of Illinois law and management then comes up with its gotchu moment.

If the proponent is not allowed to revise his proposal it may open the door to any company to toy with a rule 14a-8 proposal year after year. A company could withhold a potential fatal flaw in a rule 14a-8 proposal year after year and only when the proposal is on the verge of a majority vote, then point out the fatal flaw and thereby exclude the proposal.

For instance this proposal topic could receive support of 30%, 35%, 40%, 45% year after year at a company and when the proposal is submitted in year 5 a company could only then claim that it is in violation of state law. Thus it would be a waste of time for 5-years for a rule 14a-8 proposal.



The proponent should be able to revise his proposal because the proposal concerns more than just the stock ownership threshold to call for a special shareholder meeting.

Sincerely,

  
John Chevedden

cc: Aaron Rice

# SHAREHOLDER PROPOSALS

Five shareholder proposals have been received and will be voted upon at the annual meeting only if properly presented by or on behalf of the proponent. Abbott is advised that the proposals will be presented for action at the Annual Meeting. The proposed resolutions and the statements made in support thereof, as well as the Board of Directors' statements in opposition to the proposals, are presented on the following pages.

*The Board of Directors recommends that you vote AGAINST the proposals.*

---

## Shareholder Proposal on Special Shareholder Meeting Threshold (Item 4 on Proxy Card)

---

John Chevedden, 2215 Nelson Avenue, No. 205, Redondo Beach, California 90278, has informed Abbott that he intends to present the following proposal at the Annual Meeting and that he owns no fewer than 50 Abbott common shares.

### PROPONENT'S STATEMENT IN SUPPORT OF SHAREHOLDER PROPOSAL

#### Special Shareholder Meeting Improvement - Proposal 4

Shareholders ask our board to take the steps necessary to amend the appropriate company governing documents to give the owners of a combined 10% of our outstanding common stock the power to call a special shareholder meeting. This includes that each shareholder shall have an equal right per share to formally participate in the calling for a special shareholder meeting.

Currently it takes a theoretical 20% of all shares outstanding to call for a special shareholder meeting. This theoretical 20% of all shares outstanding translates into 26% of the shares that vote at our annual meeting.

It would be hopeless to think that shares that do not have time to vote would have the time to go through the special procedural steps to call for a special shareholder meeting.

A more reasonable shareholder right to call for a special shareholder meeting to could be used to elect a new director. It could also be an incentive for our directors to take their jobs more seriously. The following directors received a substantial number of negative votes at our 2021 annual meeting:

|                 |                      |                                   |
|-----------------|----------------------|-----------------------------------|
| Glenn Tilton    | 74 million negative  |                                   |
| Roxanne Austin  | 87 million negative  | Chair of Management Pay Committee |
| Miles White     | 130 million negative | 23-years long-tenure              |
| William Osborn  | 182 million negative | Chair of Governance Committee     |
| Nancy McKinstry | 297 million negative |                                   |

The number of negative votes increased compared to 2020 for each above director.

This is a best practice governance proposal in the same spirit as the 2020 simple majority vote proposal to reform our undemocratic 67% shareholder voting thresholds that won our 84% support and was adopted in 2021.

Shareholder votes for shareholder proposals are having a positive impact.

Please vote yes:

**Special Shareholder Meeting Improvement - Proposal 4**



## BOARD OF DIRECTORS' STATEMENT IN OPPOSITION TO THE SHAREHOLDER PROPOSAL ON SPECIAL SHAREHOLDER MEETING THRESHOLD

(Item 4 on Proxy Card)

The Board of Directors recommends that you vote **AGAINST** the proposal.

Abbott's annual meeting provides its shareholders with a regular, predictable opportunity to weigh in on its directors and other matters of importance to shareholders – ensuring shareholders' ability to exert this critical influence at least once a year. If matters come up that cannot wait until an annual meeting, the Chairman and CEO or Abbott's Board is empowered to call a special meeting, subject to the same notification requirements for a regular annual meeting. Likewise, a single shareholder or group owning at least 20% of Abbott's outstanding shares may call a special meeting and put a matter up for vote.

The proponent takes issue with the 20% threshold, saying it should be lower so investors can invoke this safeguard more easily. Abbott's Board believes 20% is the appropriate place to set the line. It is worth noting that many S&P 500 companies require an even higher threshold – at least 25% of outstanding shares – to call a special meeting. A "special" meeting is, by its nature, an extraordinary event that should be called rarely and regarding only time-sensitive, significant issues that cannot be postponed until the next annual meeting. The ability to convene a special meeting carries with it the power to impose potentially significant costs on the Company and divert attention of Abbott's Board, its officers, and its employees from the Company's business objectives. To avoid waste or expense of corporate resources in addressing narrowly supported concerns, the Board believes the appropriate threshold for this special meeting is 20%. [only]

Further, in the context of Abbott's overall corporate governance policies and practices, a further reduced threshold is unnecessary to ensure shareholders' ability to express concerns on important issues.

- **Proxy Access:** A shareholder (or group) who meet certain ownership requirements may nominate and have included in Abbott's proxy materials director nominees constituting up to 20% of the Board, provided that the shareholder(s) and the nominee(s) satisfy the requirements in Abbott's By-Laws.
- **Written Consent:** Shareholders can act by written consent in place of a meeting as a means for shareholders to raise important matters outside the normal annual meeting cycle.
- **Shareholder Proposals:** Under the proxy rules and Abbott's By-Laws, shareholders may submit proposals for inclusion in the company's proxy statement, nominate directors for election, and present matters from the floor at the annual meeting.
- **Director Election:** Each of Abbott's directors serves a one-year term and stands for re-election at the annual meeting. The Company's By-Laws also provide that directors must be elected by a majority vote in an uncontested election.
- **Simple Majority Voting:** Further, Abbott explicitly implemented simple-majority voting in its By-Laws for all extraordinary transactions like mergers and amendments to Abbott's articles of incorporation.
- **Shareholder Engagement:** As described in this proxy statement, Abbott promotes open communication between shareholders and the Board, and it routinely seeks investor input on a variety of topics, including corporate governance, executive compensation, sustainability, and other strategic matters. Further, Abbott engaged with shareholders representing over 60% of Abbott's outstanding shares in the 2021 proxy season, and none expressed concern with the current 20% threshold or their ability to engage or raise issues with the Board.

For these reasons, the Board of Directors recommends that Abbott's shareholders vote **AGAINST** this proposal.



**Proposal 4 – Special Shareholder Meeting Improvement**

Shareholders ask our Board to take the steps necessary to amend the appropriate company governing documents to give the owners of a combined 10% of our outstanding common stock the power to call a special shareholder meeting.

One of the main purposes of this proposal is to give all shareholders the right to formally participate in calling for a special shareholder meeting regardless of length of stock ownership to the fullest extent possible.

Currently it takes a theoretical 20% of all shares outstanding to call for a special shareholder meeting. This theoretical 20% of all shares outstanding translates into 26% of the shares that vote at our annual meeting. It would be hopeless to expect that the shares that do not have the time to vote would have the time for the intricate procedural steps to call for a special shareholder meeting.

Then it appears that all the shares that are held in street name are 100% disqualified from participating in the calling of a special shareholder meeting. If 50% of Abbott shares are held in street name then it would take 52% of the shares that vote at the annual meeting (26% times 2) to call for a special shareholder meeting. Thus a theoretical 20% figure to call for special meeting translates into an almost impossible 52% figure which is like have no right at all to call for a special shareholder meeting.

This proposal topic won 47%-support at the 2022 Abbott Laboratories annual meeting. This is in spite of the fact that the 2022 proposal did not point out that street name shareholders are excluded from formally participating in calling for a special shareholder meeting at Abbott Laboratories.

A more reasonable shareholder right to call for a special shareholder meeting could be used to elect a new director. It could also be an incentive for our directors to take their jobs more seriously. The following directors received a substantial number of against votes at our 2022 annual meeting:

|                 |                     |                            |
|-----------------|---------------------|----------------------------|
| Nancy McKinstry | 312 million against | Audit Committee Chair      |
| William Osborn  | 107 million against | Governance Committee Chair |
| John Stratton   | 102 million against |                            |

Calling for a special shareholder meeting is hardly ever used by shareholders but the main point of the right to call for a special shareholder meeting is that it gives shareholders at least significant standing to engage effectively with management.

Management will have an incentive to genuinely engage with shareholders, instead of stonewalling, if shareholders have a realistic Plan B option of calling a special shareholder meeting.

Please vote yes:

**Special Shareholder Meeting Improvement – Proposal 4**

[The line above – *Is* for publication. Please assign the correct proposal number in the 2 places.]