

SUPPORTING STATEMENT FOR PROPOSED RULES UNDER THE SECURITIES EXCHANGE ACT OF 1934

This is a submission pursuant to the Paperwork Reduction Act of 1995, 44 U.S.C. §3501, et seq., consisting of this supporting statement and the following attachment:

A. Adopting Release (Release No. 34-89964)

A. JUSTIFICATION

1. CIRCUMSTANCES MAKING THE COLLECTION OF INFORMATION NECESSARY

On September 23, 2020, the Securities and Exchange Commission (the “Commission”) adopted amendments to its rules that require companies subject to the federal proxy rules to include shareholder proposals in their proxy statements. The amendments to Rule 14a-8¹: (1) amend the criteria that a shareholder must satisfy to be eligible to have a proposal included in a company’s proxy statement, (2) modify the rule limiting the number of proposals a person or entity may submit for a particular company’s shareholder meeting, and (3) revise the levels of shareholder support a proposal must receive to be eligible for resubmission at the same company’s future shareholder meetings.

The Paperwork Reduction Act burdens associated with the following collections of information will be affected by the amendments:

“Regulation 14A and Schedule 14A” (OMB Control No. 3235-0059)²

Regulation 14A,³ which includes Schedule 14A, sets forth the disclosure and other requirements for proxy statements, as well as the exemptions therefrom, filed by registrants and other soliciting persons to help investors make informed voting decisions.⁴

¹ 17 CFR 240.14a-8.

² To the extent that a person or entity incurs a paperwork burden imposed as a result of Regulation 14A, it is encompassed within the collection of information estimates for Regulation 14A. This includes registrants and other soliciting persons preparing, filing, processing and circulating their definitive proxy and information statements and additional soliciting materials, as well as the efforts of third parties such as proxy voting advice businesses whose voting advice falls within the ambit of the federal rules and regulations that govern proxy solicitations. OMB’s current inventory for Regulation 14A, therefore, is an assessment of the paperwork burden associated with such requirements and requests under the regulation, and the Commission’s estimates that follow are an assessment of changes to such inventory expected to result from adoption of the amendments.

³ 17 CFR 240.14a-1 *et seq.*

⁴ The paperwork burden estimate for Regulation 14A includes the burdens imposed by the Commission’s rules that may be incurred by all parties involved in the proxy process leading up to and associated with the

The amendments are expected to reduce the annual number of shareholder proposals, resulting in an overall reduction in the average paperwork burden for respondents. A detailed description of the amendments, including the need for the information and its proposed use, as well as a description of the likely respondents, can be found in Section II of the Adopting Release, and a discussion of the expected economic effects of the amendments can be found in Section V of the Adopting Release.

A copy of the Adopting Release is attached.

2. PURPOSE AND USE OF THE INFORMATION COLLECTION

By giving shareholder-proponents the ability to have their proposals included alongside management's in a company's proxy statement, Rule 14a-8 enables shareholder-proponents to easily present their proposals to all other shareholders, and to have proxies solicited for their proposals, at little or no expense to themselves. However, this mechanism for shareholders to require inclusion of their proposals in companies' proxy materials is not without limits. Rule 14a-8 permits a company to exclude a shareholder proposal from its proxy statement if the proposal fails to meet any of several specified substantive requirements, or if the shareholder-proponent does not satisfy certain eligibility or procedural requirements. All of these requirements are generally designed to ensure that the ability under Rule 14a-8 for a shareholder to have a proposal included alongside management's in the company's proxy materials—and thus to draw upon company resources and to command the time and attention of other shareholders—is appropriately calibrated.

The Commission has amended the requirements under Rule 14a-8 to appropriately calibrate and take into consideration the interests of not only the shareholder who submits a proposal but also the company and other shareholders who bear the costs associated with the inclusion of such proposals in the company's proxy statement.

3. CONSIDERATION GIVEN TO INFORMATION TECHNOLOGY

The collection of information requirements of the amendments are set forth in the affected rules. The affected filings are provided electronically to the Commission using the Commission's Electronic Data Gathering, Analysis and Retrieval ("EDGAR") system.

4. DUPLICATION OF INFORMATION

The amendments do not duplicate, overlap, or conflict with other federal rules.

filing of a Schedule 14A. This would include both the time that a shareholder-proponent spends to prepare its proposals for inclusion in a company's proxy statement, as well as the time that the company spends to respond to such proposals.

5. REDUCING THE BURDEN ON SMALL ENTITIES

The amendments apply to small entities to the same extent as other entities, irrespective of size. Therefore, we expect that the nature of any burdens associated with the amendments would be similar for large and small entities, and will likely vary widely among small entities based on a number of factors, including the nature and conduct of their businesses, which makes it difficult to quantify the corresponding effects on burden.

The amendments may affect some small entities that are either: (i) shareholder-proponents that submit Rule 14a-8 proposals, or (ii) issuers subject to the federal proxy rules that receive Rule 14a-8 proposals. In the Adopting Release, the Commission estimated that there are approximately 835 issuers that are subject to the federal proxy rules, other than investment companies, that may be considered small entities.⁵

The amendments will likely reduce the number of proposals required to be included in the proxy statements of issuers subject to the federal proxy rules, including small entities. In turn, the amendments will likely reduce the costs to such issuers of complying with Rule 14a-8.

In addition, the amendments may also reduce the number of proposals that shareholder-proponents that are small entities will be permitted to submit to issuers for inclusion in the issuers' proxy statements. As a result, these small entities may experience an increase in shareholder engagement costs to the extent such small entities elect to increase their investment to meet the adjusted eligibility criteria or pursue alternatives methods of engagement, such as conducting their own proxy solicitation. The amendments requiring shareholder-proponents to provide written documentation regarding their ability to meet with the issuer and relating to the appointment of a representative will slightly increase the compliance burden for shareholder-proponents, including those that are small entities.

Rule 14a-8 generally does not impose different standards or requirements based on the size of the issuer or shareholder-proponent. Nor does the Commission believe that establishing different compliance or reporting obligations in conjunction with the amendments or exempting small entities from all or part of the requirements is necessary. The Commission believes the amendments are equally appropriate for shareholder-proponents of all sizes seeking to engage with issuers through the Rule 14a-8 process. While the Commission does anticipate a moderate increase in burden for shareholder-proponents, it does not believe that imposing different standards or requirements based on the size of the shareholder-proponent will accomplish the purposes of the amendments.

⁵ In the Proposing Release, the Commission requested comment on the number of potential shareholder-proponents that may be considered small entities, but commenters did not respond to this request.

6. CONSEQUENCES OF NOT CONDUCTING COLLECTION

The amendments relate to Regulation 14A. This regulation and its associated schedules govern proxy solicitations and set forth the disclosure requirements for proxy and information statements. Less frequent collection would deprive investors of access to information that is important to their voting decisions.

7. SPECIAL CIRCUMSTANCES

There are no special circumstances in connection with these amendments.

8. CONSULTATIONS WITH PERSONS OUTSIDE THE AGENCY

In the Proposing Release, the Commission solicited public comment on the new “collection of information” requirements and the associated paperwork burdens.⁶ Comments on Commission releases are generally received from registrants, investors, and other market participants. In addition, the Commission and staff participate in ongoing dialogue with representatives of various market participants through public conferences, roundtables, and meetings. All comments received on the proposal are available at <https://www.sec.gov/comments/s7-23-19/s72319.htm>. As of September 23, 2020, we received four comments on the burden estimate.⁷ Three commenters indicated that there is not an adequate basis for the \$150,000 per proposal cost estimate upon which the Commission relied in calculating the burden estimate.⁸ In response to this comment, the Commission noted that a range of estimates provided by commenters, rather than a single estimate, was used to yield a more comprehensive estimation. Another commenter stated that the burden estimate does not adequately account for the additional paperwork burdens on shareholders associated with the proposed ownership thresholds.⁹ In response to this comment, the Commission explained that the amended rules would not increase the paperwork burden on shareholders in the manner suggested by the commenter. The Commission considered all comments received prior to publishing the final rules, as required by 5 CFR 1320.11(f).

⁶ See *Procedural Requirements and Resubmission Thresholds under Exchange Act Rule 14a-8*, Release No. 34-87458 (November 5, 2019) [84 FR 66458 (Dec. 4, 2019)] (“Proposing Release”). Letters submitted in connection with the Proposing Release are available at <https://www.sec.gov/comments/s7-23-19/s72319.htm>.

⁷ See letters from AFL-CIO dated February 3, 2020; Interfaith Center on Corporate Responsibility dated January 27, 2020; Segal Marco Advisors dated February 3, 2020; UAW Retiree Medical Benefits Trust dated January 30, 2020.

⁸ See letters from Interfaith Center on Corporation Responsibility dated January 27, 2020; Segal Marco Advisors dated February 3, 2020; UAW Retiree Medical Benefits Trust dated January 30, 2020.

⁹ See letter from AFL-CIO dated February 3, 2020.

9. PAYMENT OR GIFT TO RESPONDENTS

No payment or gift to respondents.

10. CONFIDENTIALITY

All documents submitted to the Commission are available to the public.

11. SENSITIVE QUESTIONS

No information of a sensitive nature will be required under the following collections of information in connection with these rulemaking amendments: Regulation 14A and Schedule 14A. The information collection collects basic personally identifiable information (PII) that may include a name and job title. However, the agency has determined that these information collections do not constitute a system of record for purposes of the Privacy Act. Information is not retrieved by a personal identifier. In accordance with Section 208 of the E-Government Act of 2002, the agency has conducted a Privacy Impact Assessment (PIA) of the EDGAR system, in connection with this collection of information. The EDGAR PIA, published on February 5, 2020 is provided as a supplemental document and is also available at <https://www.sec.gov/privacy>.

12. and 13. ESTIMATES OF HOUR AND COST BURDENS

The Commission anticipates that the amendments will reduce the annual number of shareholder proposals, resulting in an overall reduction in the average paperwork burden for respondents in connection with the collection of information for Regulation 14A. The burden estimates were calculated by estimating the number of parties expected to expend time, effort, and/or financial resources to generate, maintain, retain, disclose or provide information required by the amendments and then multiplying by the estimated amount of time, on average, each of these parties would devote in response to the amendments.

The following Table 1 summarizes the estimated effects of the amendments on the paperwork burdens associated with Regulation 14A.

(continued on next page)

Table 1. Estimated Paperwork Burden Effects of the Final Amendments

Final Amendments	Estimated Effect
<p>Rule 14a-8(b)(1)(i)</p> <ul style="list-style-type: none"> • Revise the ownership requirements that shareholders must satisfy to be eligible to submit proposals to be included in an issuer’s Schedule 14A proxy statement to the following levels: <ul style="list-style-type: none"> ○ ≥\$2K to <\$15K for at least 3 years; 	<p>28% decrease in the number of shareholder proposal submissions,¹⁰ resulting in a reduction in the average burden per response of 4.45 hours.¹¹</p>

¹⁰ We estimate that the decrease in the number of shareholder proposals could range from 0 to 56%, depending on proponents’ holding periods. For purposes of the PRA, we assume an estimated decrease of 28%. The estimated decrease in the number of shareholder proposals takes into account the limitation on aggregation for purposes of satisfying the ownership thresholds.

¹¹ See Proposing Release at 66510 n.312. See also letters from Business Roundtable dated February 3, 2020 (noting that several member companies “reported costs ranging from \$50,000 to \$100,000 or more per proposal” and that “costs for first-time proposals are generally higher than those incurred for resubmitted proposals”); CalPERS dated February 3, 2020 (stating that the marginal cost of submitting a no-action request is less than \$20,000); Center for Capital Markets Competitiveness dated January 31, 2020 (stating that its members reported that \$87,000 to \$150,000 per proposal is a fair cost estimate, with some exceeding the high end of the range); John Coates and Barbara Roper dated January 30, 2020 (stating that the cost estimate of \$18,982 to print and mail a shareholder proposal “is a relevant datum for estimating cost savings”); Exxon Mobil Corporation dated February 3, 2020 (estimating the direct cost of each shareholder proposal included in its proxy statement to be “at least \$100,000”); General Motors Company dated February 25, 2020 (stating that a cost estimate of \$87,000 to \$150,000 is “directionally accurate”).

At an estimated hourly cost of \$400 per hour, these estimated costs would correspond to the following estimated burden hours: 47.5 hours ($\$18,982 / \$400 = 47.5$), 50 hours ($\$20,000 / \$400 = 50$), 125 hours ($\$50,000 / \$400 = 125$), 218 hours ($\$87,000 / \$400 = 218$), 250 hours ($\$100,000 / \$400 = 250$), and 375 hours ($\$150,000 / \$400 = 375$).

As in the Proposing Release, we continue to estimate that the burden hours for a company associated with considering and printing and mailing a shareholder proposal (not including burdens as associated with the no-action process) would be 100 hours (80 hours associated with activities unrelated to printing and mailing, and 20 hours associated with printing and mailing). In addition, we estimate that the burden hours associated with seeking no-action relief would be 50 hours. See Proposing Release at 66510 n.312. In arriving at these estimates, we took into consideration the hourly burdens corresponding to the cost estimates provided by commenters, noted above, as well as data provided in response to a July 2009 survey of Business Roundtable companies. See letter in response to Facilitating Shareholder Director Nominations, Release No. 34-60089 (June 10, 2009) [74 FR 29024 (June 18, 2009)] from Business Roundtable dated August 17, 2009, available at <https://www.sec.gov/comments/s7-10-09/s71009-267.pdf>. We believe it is useful to consider the Business Roundtable survey in estimating the burden hours for a company associated with considering and printing and mailing a shareholder proposal because it provides specific burden hour and cost estimates with respect to preparing a no-action request and printing and mailing a single shareholder proposal.

In the Proposing Release, we estimated that 40% of proposals are included in the proxy statement without seeking no-action relief, 16% are included after seeking no-action relief, 15% are excluded after seeking no-action relief, and 29% are withdrawn. See Proposing Release at 66510 n.312. No commenters provided alternative estimates on this point or expressed disagreement with these percentage estimates. Thus, for purposes of this PRA analysis, we estimate 107 burden hours associated with a company’s receipt of a shareholder proposal, calculated as follows:

<ul style="list-style-type: none"> o \geq\$15K to $<$\$25K for at least 2 years; or o \geq\$25K for at least 1 year. <p>1.</p>	
<p>Rule 14a-8(b)(1)(iii)</p> <ul style="list-style-type: none"> • Require shareholders to provide the company with a written statement that they are able to meet with the company in person or via teleconference no less than 10 calendar days nor more than 30 calendar days after submission of the shareholder proposal, and to provide contact information as well as business days and specific times that they are available to discuss the proposal with the company. 	Increase in the average burden per response of 0.0337 hours. ¹²
<p>Rule 14a-8(b)(1)(iv)</p> <ul style="list-style-type: none"> • Require shareholders to provide certain written documentation to companies if the shareholder appoints a representative to act on its behalf in submitting a proposal under the rule. 	Increase in the average burden per response of 0.0047 hours. ¹³
<p>Rule 14a-8(b)(1)(vi)</p>	

100 hours for 40% of proposals (i.e., proposals that are included in the proxy statement without seeking no-action relief);
150 hours for 16% of proposals (i.e., proposals that are included in the proxy statement after seeking no-action relief);
130 hours for 15% of proposals (i.e., proposals that are excluded from the proxy statement after seeking no-action relief); and
80 hours for 29% of proposals (i.e., proposals that are withdrawn).

The reduction in the average burden per response of 4.45 hours is calculated by multiplying the expected reduction in proposals (28%) by the average number of proposals received between 1997 and 2018 (946) for a reduction in the total number of proposals of 265. This reduction in the number of proposals (265) is then multiplied by the estimated burden hours per proposal (107) for a total of 28,355 burden hours. This total number of burden hours (28,355) is then divided by the total number of responses (6,369) for a reduction in the average burden per response of (4.45) hours.

¹² The increase in the average burden per response of 0.0337 hours is calculated by multiplying the expected amount of time to provide this information (20 minutes) by the expected average number of expected proposals after taking account of the total reduction in proposals submitted as a result of the amendments (644) for a total increase of 215 hours. This increase in burden hours (215 hours) is then divided by the total number of responses (6,369) for an increase in the average burden per response of 0.0337 hours.

¹³ The increase in the average burden per response of 0.0047 hours is calculated by multiplying the expected amount of time to provide this information (20 minutes) by the expected number of proposals submitted by a representative that would be subject to the amendment. We estimate that approximately 14% of proposals are submitted by such representatives; thus, we multiply the average number of expected proposals after taking into account the reduction in proposals as a result of the amendments (644) by 14% for a total of 90 proposals submitted by such representatives. The number of proposals (90) is multiplied by the estimated amount of time to provide this information (20 minutes) for a total of 30 hours. This increase in burden hours (30 hours) is then divided by the total number of responses (6,369) for an increase in the average burden per response of 0.0047 hours.

<ul style="list-style-type: none"> Disallow aggregation of holdings for purposes of satisfying the ownership requirements. 	No change in the number of shareholder proposal submissions, ¹⁴ resulting in no change in the average burden per response.
<p>Rule 14a-8(c)</p> <ul style="list-style-type: none"> Provide that shareholders and other persons cannot submit, directly or indirectly, more than one proposal for the same shareholders' meeting. 	2% decrease in the number of shareholder proposal submissions, ¹⁵ resulting in a reduction in the average burden per response of 0.319 hours. ¹⁶
<p>Rule 14a-8(i)(12)</p> <ul style="list-style-type: none"> Increase the prior vote thresholds for resubmission of a proposal that addresses substantially the same subject matter as a proposal previously included in company's proxy materials within the preceding 5 calendar years if the most recent vote occurred within the preceding 3 calendar years to: <ul style="list-style-type: none"> less than 5% of the votes cast if previously voted on once; less than 15% of the votes cast if previously voted on twice; or less than 25% of the votes cast if previously voted on three or more times. 	5% reduction in the number of shareholder proposals by reducing the number of resubmissions, ¹⁷ resulting in a reduction in the average burden per response of 0.789 hours. ¹⁸
Total:	Net decrease in the average burden per response of 5.5196 hours. ¹⁹

¹⁴ The effect of this amendment is accounted for in the above entry for Rule 14a-8(b)(1)(i).

¹⁵ See Proposing Release at 66497.

¹⁶ The reduction in the average burden per response of 0.319 hours is calculated by multiplying the expected reduction in proposals (2%) by the average number of proposals received between 1997 and 2018 (946) for a reduction in the total number of proposals of 19. This reduction in the number of proposals (19) is then multiplied by the estimated burden hours per proposal (107) for a total of 2,033 burden hours. This total number of burden hours (2,033) is then divided by the total number of responses (6,369) for a reduction in the average burden per response of 0.319 hours.

¹⁷ The estimated 5% reduction in the number of resubmissions is lower than the estimated reduction in the Proposing Release because the proposed Momentum Requirement is not being adopted.

¹⁸ The reduction in the average burden per response of 0.789 hours is calculated by multiplying the expected reduction in proposals (5%) by the average number of proposals received between 1997 and 2018 (946) for a reduction in the total number of proposals of 47. This reduction in the number of proposals (47) is then multiplied by the estimated burden hours per proposal (107) for a total of 5,029 burden hours. This total number of burden hours (5,029) is then divided by the total number of responses (6,369) for a reduction in the average burden per response of 0.789 hours.

¹⁹ $(4.45 + 0.00 + 0.319 + 0.789) - (0.0337 + 0.0047) = 5.5196$ hours decrease in average burden per response.

Table 2 below illustrates the incremental change to the total annual compliance burden in hours and in costs as a result of the amendments. The table sets forth the percentage estimates the Commission typically uses for the burden allocation for each response.²⁰

Table 2. Calculation of the Incremental Change in Burden Estimates of Current Responses Resulting from the Final Amendments

Number of Estimated Responses (A) ²¹	Burden Hour Reduction per Response (B)	Reduction in Burden Hours for Responses (C) = (A) x (B) ²²	Reduction in Internal Hours for Responses (D) = (C) x 0.75	Reduction in Professional Hours for Responses (E) = (C) x 0.25	Reduction in Professional Costs for Responses (F) = (E) x \$400
6,369	5.5196	35,154	26,365.7	8,788.25	\$3,515,300

Finally, Table 3 that follows summarizes the requested paperwork burden, including the estimated total reporting burdens and costs, under the amendments.

Table 3. Requested Paperwork Burden under the Final Amendments

Current Burden			Program Change			Revised Burden		
Current Annual Responses (A)	Current Burden Hours (B)	Current Cost Burden (C)	Number of Affected Responses (D)	Reduction in Internal Hours (E) ²³	Reduction in Professional Costs (F) ²⁴	Annual Responses (G) = (A)	Burden Hours (H) = (B) - (E)	Cost Burden (I) = (C) - (F)
6,369	803,956	\$107,194,012	6,369	26,365.7	\$3,515,300	6,369	777,590.3	\$103,678,712

²⁰ The Commission's estimates assume that 75% of the burden is borne by the company and 25% is borne by outside counsel at \$400 per hour. The Commission recognizes that the costs of retaining outside professionals may vary depending on the nature of the professional services, but for purposes of its paperwork burden analysis, it estimated that such costs would be an average of \$400 per hour. This estimate was based on consultations with several registrants, law firms, and other persons who regularly assist registrants in preparing and filing reports with the Commission.

²¹ The number of estimated affected responses is based on the number of responses in the Commission's current OMB PRA filing inventory. The OMB PRA filing inventory represents a three-year average. We do not expect that the final amendments will materially change the number of responses in the current OMB PRA filing inventory.

²² The estimated reductions in Columns (C), (D), and (E) are rounded to the nearest whole number.

²³ From Column (D) in PRA Table 2.

²⁴ From Column (F) in PRA Table 2.

14. COSTS TO FEDERAL GOVERNMENT

The annual cost of reviewing and processing disclosure documents, including registration statements, post-effective amendments, proxy statements, annual reports, and other filings of operating companies amounted to approximately \$103,479,690 in fiscal year 2019, based on the Commission's computation of the value of staff time devoted to this activity and related overhead.

15. REASON FOR CHANGE IN BURDEN

In the Adopting Release, the Commission revised its estimates for the total annual compliance burden resulting from the amendments, which were initially included in the Proposing Release. The change in the total burden estimate for the final rules was primarily due to: (i) the Commission's decision not to adopt the proposed Momentum Requirement, which would have allowed companies to exclude resubmitted proposals that failed to sustain certain levels of shareholder support, and (ii) a change in the method of calculating the number of excludable proposals as a result of the revised ownership thresholds.

The Commission determined not to adopt the Momentum Requirement because it could have resulted in anomalous results because, for example, under the proposed amendment, a proposal that received higher overall support (e.g., 44 percent) compared to another proposal may have been excluded if it experienced a decline in support of 10 percent or more, whereas a proposal receiving lower support (e.g., 27 percent) that did not experience a decline in support of 10 percent or more would not have been excludable. In addition, the Commission agreed with commenters that the Momentum Requirement could have rendered the resubmission basis for exclusion unnecessarily complex. As a result, the estimated burden estimate associated with the amended resubmission thresholds was adjusted from an estimated decrease of 1.26 hours to 0.789 hours.

In addition, in the Proposing Release, the Commission estimated a 28% reduction (5.08 burden hours per response) in the number of shareholder proposals as a result of the revised ownership thresholds, and a 0.2% reduction (0.04 burden hours per response) as a result of the amendment prohibiting shareholders from aggregating their holdings for the purpose of meeting the revised ownership thresholds. In the Adopting Release, the Commission concluded that the estimated 28% reduction in shareholder proposals stemming from the revised ownership thresholds also accounted for the prohibition on aggregating holdings. As a result, the estimated burden specifically attributable to the amendment on aggregation was revised from 0.2% (0.04 burden hours per response) to zero (0.00 burden hours per response).

For the above reasons, the total reduction in burden hours was revised from 6.69 hours in the Proposing Release to 5.5196 hours in the Adopting Release.

16. INFORMATION COLLECTIONS PLANNED FOR STATISTICAL PURPOSES

The information collection does not employ statistical methods.

17. APPROVAL TO OMIT OMB EXPIRATION DATE

We request authorization to omit the expiration date on the electronic version of the information collected. Including the expiration date on the electronic version of the form will result in increased costs because the need to make changes to the form may not follow the application's scheduled version release dates. The OMB control number will be displayed.

18. EXCEPTIONS TO CERTIFICATION FOR PAPERWORK REDUCTION ACT SUBMISSIONS

There are no exceptions to certification for the Paperwork Reduction Act submissions.

B. STATISTICAL METHODS

The information collection does not employ statistical methods.

(continued on next page)

REGULATION 14A AND SCHEDULE 14A SHORT STATEMENT

The amendments in Release No. 34-89964: (1) amend the criteria that a shareholder must satisfy to be eligible to have a proposal included in a company's proxy statement; (2) modify the rule limiting the number of proposals that may be submitted for a particular company's shareholders' meeting (the "one-proposal rule") to establish that a single person may not submit multiple proposals at the same shareholders' meeting, whether the person submits a proposal as a shareholder or as a representative of a shareholder; and (3) revise the levels of shareholder support a proposal must receive to be eligible for resubmission at the same company's future shareholders' meeting. The Commission anticipates that the amendments will reduce the aggregate burdens and costs of affected parties complying with the relevant shareholder proposal requirements of Regulation 14A.

In particular, the amendments to Rule 14a-8(b) will:

- amend Rule 14a-8(b) by:
 - replacing the current ownership threshold, which requires holding at least \$2,000 or 1% of a company's securities for at least one year, with three alternative thresholds that will require a shareholder to demonstrate continuous ownership of at least:
 - \$2,000 of the company's securities for at least three years;
 - \$15,000 of the company's securities for at least two years; or
 - \$25,000 of the company's securities for at least one year.
 - prohibiting the aggregation of holdings for purposes of satisfying the amended ownership thresholds;
 - requiring that a shareholder who elects to use a representative for the purpose of submitting a shareholder proposal provide documentation to make clear that the representative is authorized to act on the shareholder's behalf and to provide a meaningful degree of assurance as to the shareholder's identity, role and interest in a proposal that is submitted for inclusion in a company's proxy statement; and
 - requiring that each shareholder state that he or she is able to meet with the company, either in person or via teleconference, no less than 10 calendar days, nor more than 30 calendar days, after submission of the shareholder proposal, and provide contact information as well as specific business days and times that the shareholder is available to discuss the proposal with the company.
- amend Rule 14a-8(c) by:

- applying the one-proposal rule to “each person” rather than “each shareholder” who submits a proposal, such that a shareholder-proponent will not be permitted to submit one proposal in his or her own name and simultaneously serve as a representative to submit a different proposal on another shareholder’s behalf for consideration at the same meeting. Likewise, a representative will not be permitted to submit more than one proposal to be considered at the same meeting, even if the representative were to submit each proposal on behalf of different shareholders.
- amend Rule 14a-8(i)(12) by:
 - revising the levels of shareholder support a proposal must receive to be eligible for resubmission at the same company’s future shareholder meetings from 3%, 6% and 10% for matters previously voted on once, twice or three or more times in the last five years, respectively, with thresholds of 5%, 15% and 25%, respectively. For example, a proposal would need to achieve support by at least 5% of the voting shareholders in its first submission in order to be eligible for resubmission in the following three years. Proposals submitted two and three times in the prior five years would need to achieve 15% and 25% support, respectively, in order to be eligible for resubmission in the following three years.

For purposes of its Paper Reduction Act analysis, the Commission estimates that the amendments to Regulation 14A will result in a net decrease of 26,365.7 burden hours and a net decrease of \$3,515,300 in cost burden.