

## **SUPPORTING STATEMENT FOR PROPOSED RESCISSION OF RULE 14A-8 AND AMENDMENTS TO RULE 14A-4**

This supporting statement is part of a submission under the Paperwork Reduction Act of 1995 (“PRA”).<sup>1</sup>

### **A. JUSTIFICATION**

#### **1. CIRCUMSTANCES MAKING THE COLLECTION OF INFORMATION NECESSARY**

On September 16, 2026, the Securities and Exchange Commission (“Commission”) proposed to rescind Rule 14a-8 (17 CFR 240.14a-8) and amend Rule 14a-4 (17 CFR 240.14a-4) under the Securities Exchange Act of 1934 (“Exchange Act”).<sup>2</sup> The proposal would rescind the Commission’s shareholder proposal rule and leave determinations about the role of shareholder proposals to state law and company governing documents. The proposal also would amend Rule 14a-4 to expand the circumstances under which a company may exercise, with respect to proxies it receives, discretionary voting authority on proposals that will be presented at a shareholder meeting but not included in a company’s proxy materials and, at the same time, provide shareholders with the means to elect to prevent the company from exercising such authority with respect to their individual shares.<sup>3</sup>

The proposed amendments would affect “collection of information” requirements within the meaning of the PRA. The titles for the affected collections of information are:

“Regulation 14A (Commission Rules 14a-1 through 14a-21 and Schedule 14A)” (OMB Control No. 3235-0059).

#### **2. PURPOSE AND USE OF THE INFORMATION COLLECTION**

The proposed amendments are intended to leave determinations about the role of shareholder proposals to state law and company governing documents, and to provide companies with greater flexibility and shareholders with greater control regarding proposals for which a company may seek discretionary proxy voting authority.

#### **3. CONSIDERATION GIVEN TO INFORMATION TECHNOLOGY**

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<sup>1</sup> 44 U.S.C. §3501, *et seq.*

<sup>2</sup> *See Rescission of Rule 14a-8’s Federal Regulation of Shareholder Proposals and Amendments to Rule 14a-4*, Release No. 33-106383 (Sept. 16, 2026) [91 FR 59904 (Sept. 21, 2026)] (“Proposing Release”).

<sup>3</sup> The Commission also proposed certain corresponding and conforming amendments to the Commission’s rules.

Proxy materials on Schedule 14A are filed electronically with the Commission using the Commission's Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system.

#### **4. DUPLICATION OF INFORMATION**

We believe that the proposed amendments would not duplicate, overlap, or conflict with other Federal rules.

#### **5. REDUCING THE BURDEN ON SMALL ENTITIES**

The proposed amendments would affect some issuers that are small entities. We have estimated that there are approximately 506 issuers that are subject to the Federal proxy rules, other than investment companies, that may be considered small entities and are potentially affected by the proposed amendments.<sup>4</sup>

If adopted, the proposed amendments would, among other things, eliminate the Federal requirement to include shareholder proposals in company proxy materials and give companies greater flexibility to exercise discretionary voting authority on proposals submitted by shareholders for consideration at a shareholder meeting that will not be included in company proxy materials.

The proposed amendments would apply to small entities to the same extent as other entities, regardless of size. The proposed amendments should reduce compliance costs for small entities and other issuers that are subject to the Federal proxy rules. As a result, the Commission does not believe it is appropriate to propose different compliance or reporting requirements or timetables for small entities; clarify, consolidate, or simplify compliance and reporting requirements for small entities; or exempt small entities from the proposed rescission or amendments.

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<sup>4</sup> The Commission has requested comment on the number of potential shareholder proponents that may be considered small entities.

## **6. CONSEQUENCES OF NOT CONDUCTING COLLECTION**

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

## **7. SPECIAL CIRCUMSTANCES**

There are no special circumstances in connection with the proposed amendments.

## **8. CONSULTATIONS WITH PERSONS OUTSIDE OF THE AGENCY**

The Commission has issued the Proposing Release soliciting comment on the affected “collection of information” requirements and the associated paperwork burdens. A copy of the Proposing Release is attached. In response to the solicitation for comment in the Proposing Release, registrants, investors, and other market participants may provide comments. In addition, the Commission and its staff participate in ongoing dialogue with representatives of various market participants through public conferences, roundtables, and meetings. All comments received on the proposed amendments are available at <https://www.sec.gov/rules-regulations/public-comments/s7-2026-32>. The Commission will consider all comments received prior to publishing any final rules, as required by 5 CFR 1320.11(f).

## **9. PAYMENT OR GIFT TO RESPONDENTS**

No payment or gift has been provided to any respondents.

## **10. CONFIDENTIALITY**

Responses to the affected collections of information are available to the public.

## **11. SENSITIVE QUESTIONS**

No information of a sensitive nature would be required under the affected collections of information in connection with the proposed amendments. The information collections collect 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 records 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 these collections of information. The EDGAR PIA, published on March 6, 2025, 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 tables below show the estimated effects of the proposed amendments on the paperwork burdens associated with the affected forms and rules as well as the incremental and aggregate change in paperwork burden as a result of the proposed amendments. These estimates represent the average burden for all issuers, both large and small. In deriving these estimates, we recognize that the burdens will likely vary among individual respondents based on a number of factors, including the size and complexity of their business. These estimates include the time and cost of preparing and reviewing disclosure, filing documents, and retaining records. We believe that some issuers would experience costs in excess of this average and some issuers would experience less than the average costs. The methodologies for deriving these estimates are discussed in Table 1 below.

For collections of information not addressed in the tables below, we have not estimated a paperwork burden effect as a result of the proposed amendments even though the proposed amendments could potentially affect such collections of information. We have not estimated a paperwork burden effect for those collections of information generally because either the effect would be overly speculative or because we are seeking to err on the side of being conservative with respect to our estimates (i.e., erring on the side of overstating burdens rather than understating them).

For purposes of the PRA analysis, the burden is generally allocated between burden hours and costs. The cost burden generally reflects the portion of the burden carried by outside professionals, while the burden hours generally reflect the portion of the burden carried by the issuer internally. The total annual burden hours and cost burdens are rounded to the nearest whole number, and the burden hours per response and cost burden per response are rounded to the second decimal point.

**Table 1. Estimated Paperwork Burden Effects of the Proposed Rescission of Rule 14a-8 and Amendments to Rule 14a-4(c)**

| <b>Proposed Amendment</b>                                                                                                                                                                                                                                                                                                                                                                          | <b>Affected Collection of Information</b> | <b>Estimated Effect</b>                                                                                                                                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Rescind Rule 14a-8</b> <ul style="list-style-type: none"> <li>Companies would no longer be required by the Federal proxy rules to include shareholder proposals in their proxy materials</li> </ul>                                                                                                                                                                                             | Schedule 14A;<br><br>Schedule 14C         | 100% decrease in the number of required shareholder proposals, resulting in a decrease of 80.25 burden hours <sup>1</sup> and \$12,358.50 burden cost per proposal <sup>2</sup> |
| <b>Amendments to Rule 14a-4(c)</b> <ul style="list-style-type: none"> <li>Companies seeking discretionary voting authority on proposals omitted from the company's proxy card would be required to include a check box on their proxy card cross-referencing the proposal description to provide shareholders with means to elect to prevent the company from exercising such authority</li> </ul> | Schedule 14A                              | Estimated increase of 0.1 burden hours per proxy contest <sup>3</sup>                                                                                                           |

<sup>1</sup> We believe that the paperwork burdens associated with addressing shareholder proposals under Rule 14a-8 have not changed significantly since 2020. As a result, for purposes of this PRA analysis, we use the same estimates for paperwork burdens that the Commission used in the *Procedural Requirements and Resubmission Thresholds Under Exchange Act Rule 14a-8*, Release No. 34-89964 (Sept. 23, 2020) [85 FR 70240 (Nov. 4, 2020)] ("2020 Adopting Release"). Specifically, we estimate that respondents incur 107 total burden hours per proposal in connection with the receipt of a shareholder proposal under Rule 14a-8. *See* 2020 Adopting Release at 70292, n.490. We further estimate that 75% of those burden hours (or 80.25 hours) are carried internally by the respondents and 25% of those burden hours (or 26.75 hours) are carried by outside professionals retained by the respondents. Because the proposed amendments would eliminate Rule 14a-8, we estimate a reduction in the total burden hours associated with the affected collection of information of 80.25 hours per proposal. Based upon staff review of information statements, we do not believe the proposed amendments would eliminate any existing information collection requirements under Schedule 14C (OMB Control No. 3235-0057). As a result, we do not estimate any reduction in the paperwork burdens associated with Schedule 14C.

- <sup>2</sup> As noted in note 1 to this PRA Table 1, we estimate that 25% of the total burden hours associated with each proposal under Rule 14a-8, or 26.75 hours, are carried by outside professionals retained by the respondents. In addition, we estimate that such outside professionals charge approximately \$462 per hour. Thus, for purposes of this PRA analysis, we estimate that respondents incur \$12,358.50 in cost burden per proposal in connection with the receipt of a shareholder proposal under Rule 14a-8. Because the proposed amendments would eliminate Rule 14a-8, we estimate a reduction in the total cost burden associated with the affected collection of information of \$12,358.50 per proposal.
- <sup>3</sup> We estimate that adding the check box would add 0.1 internal burden hour. We estimate no additional costs from inclusion of the check box because we assume that all of the burden associated with the check box will be carried by the company internally.

**Table 2. Requested Paperwork Burden for Regulation 14A (OMB Control No. 3235-0059) under the Proposed Amendments.**

| Current Burden <sup>1</sup> |                      |                     | Program Change                         |                                  |                                 | Revised Burden   |                    |                    |
|-----------------------------|----------------------|---------------------|----------------------------------------|----------------------------------|---------------------------------|------------------|--------------------|--------------------|
| Current Annual Responses    | Current Burden Hours | Current Cost Burden | Estimated Number of Affected Responses | Estimated Change in Burden Hours | Estimated Change in Cost Burden | Annual Responses | Burden Hours       | Cost Burden        |
| (A)                         | (B)                  | (C)                 | (D)                                    | (E)                              | (F)                             | (G)              | (H) =<br>(B) - (E) | (I) =<br>(C) - (F) |
| 6,043                       | 816,349              | \$163,269,774       | 801 <sup>2</sup>                       | (64,280.25) <sup>3</sup>         | (\$9,899,158.50) <sup>4</sup>   | 6,043            | 752,070            | \$153,370,616      |
|                             |                      |                     | 17 <sup>5</sup>                        | 1.7 <sup>5</sup>                 | \$0                             |                  |                    |                    |

<sup>1</sup> These numbers reflect the Commission's current OMB PRA filing inventory. The OMB PRA filing inventory represents a three-year average. Averages may not align with the actual number of filings in any given year.

<sup>2</sup> With respect to Rule 14a-8, we estimate that an average of approximately 801 proposals were submitted under Rule 14a-8 each year from 2022 through 2025.

<sup>3</sup> 80.25 hours per proposal x 801 proposals = 64,280.25 hours.

<sup>4</sup> Based on our estimate that the cost burden is \$12,358.50 per proposal in footnote 2 to PRA Table 1 above, the estimated change in cost burden would be \$12,358.50 x 801 proposals = \$9,899,158.50.

<sup>5</sup> With respect to Rule 14a-4(c), from 2022 through 2025, the average annual number of proxy contests was 17 (69 total divided by four years). *See* Proposing Release at section IV.B.3.b.

<sup>6</sup> 0.1 hours per check box x 17 contests = 1.7 hours.

#### **14. COSTS TO FEDERAL GOVERNMENT**

The Commission is in the process of revising its methodologies to estimate annualized costs to the Federal government for all its relevant collections of information. The Commission anticipates that future extensions of these collections of information will reflect the revised methodologies.

#### **15. REASON FOR CHANGE IN BURDEN**

Items 1, 12, and 13 above, together, detail the reasons for the changes in burden to the specified collections of information. They collectively describe how the proposed amendments, individually and in the aggregate, are estimated to affect each specified collection of information with respect to individual and overall changes in burden. In particular, Table 2 illustrates the program changes expected to result from the proposed amendments together with the requested changes in annual responses, burden hours, and cost burden.

#### **16. INFORMATION COLLECTION PLANNED FOR STATISTICAL PURPOSES**

The information collections do not employ statistical methods.

#### **17. APPROVAL TO OMIT OMB EXPIRATION DATE**

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

#### **18. EXCEPTIONS TO CERTIFICATION FOR PAPERWORK REDUCTION ACT SUBMISSIONS**

There are no exceptions to certification for PRA submissions.

#### **B. STATISTICAL METHODS**

The information collections do not employ statistical methods.

## **REGULATION 14A SHORT STATEMENT**

The proposed amendments are intended to leave determinations about the role of shareholder proposals to state law and company governing documents, and to provide companies with greater flexibility and shareholders with greater control regarding proposals for which a company may seek discretionary proxy voting authority. For purposes of the PRA, the Commission estimates that, for Regulation 14A, the proposed amendments would result in a net decrease of 64,278.55 burden hours, and a net decrease in the cost burden of \$9,899,158.50.