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SEC Staff Adopts Significant New Guidance Affecting Shareholder Proposals and Engagement

February 14, 2025

On February 11 and 12, 2025, the staff of the Division of Corporation Finance (Staff) of the Securities and Exchange Commission (SEC) provided a pre-Valentine's Day treat for public companies and shareholders to digest in the form of two new significant sets of guidance with the potential to significantly reshape shareholder engagement and activism – including guidance on shareholder proposals submitted pursuant to Rule 14a-8 under the Securities Exchange Act of 1934 and institutional investor engagement:

- On February 11, 2025, the Staff published **updated compliance and disclosure interpretation (C&DI) guidance on Regulation 13D-G beneficial ownership reporting** that may have significant impacts on institutional investor engagement relating to both environmental, social and governance (ESG) and traditional corporate governance and executive compensation topics.
- On February 12, 2025, the Staff published **Staff Legal Bulletin (SLB) 14M**, which rescinds previous Staff guidance included in **SLB 14L** – published in 2021 and notably limited the ability to exclude shareholder proposals that raised issues with "broad societal impact" – and reinstates guidance previously rescinded by SLB 14L.

Regulations 13D and 13G C&DI updates

The Regulation 13D-G reporting C&DIs published on February 11, 2025, amended prior C&DI **103.11** and added a new C&DI **103.12** to provide new and materially changed guidance on the circumstances in which investors engaging with companies may lose their eligibility to report beneficial ownership on the "short-form" Schedule 13G and be required to report on the "long-form" Schedule 13D.

As a reminder, Sections 13(d) and 13(g) of the Exchange Act require that beneficial owners of more than 5% of a voting class of equity securities registered under Section 12 of the Exchange Act report their beneficial ownership on a Schedule 13D or, if eligible, a Schedule 13G. The "long-form" Schedule 13D requires significant disclosure regarding, among other things, plans or proposals with respect to the company, transactions in securities of the company, and agreements with respect to securities of the company, as well as the reporting person's beneficial ownership of the relevant class. The "short-form" Schedule 13G requires substantially less disclosure, which is focused primarily on the reporting person's beneficial ownership of the relevant class.

Many institutional investors report on Schedule 13G in reliance on Rule 13d-1(b), which provides an exemption from reporting on Schedule 13D for qualified institutional investors (QIIs) that acquire shares in the ordinary course of business and without the purpose or effect of changing or influencing control of the company, or Rule 13d-1(c), which provides an exemption from reporting on Schedule 13D for non-QIIs with beneficial ownership of less than 20% and who acquire such shares without the purpose, or with the effect, of changing or influencing control of the company, also known as "passive investors." In fact, investors who report on Schedule 13G in reliance on Rules 13d-1(b) and (c) are required to provide a certification accompanying their beneficial ownership report stating, in effect, that the securities were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities.

Under the prior iteration of C&DI 103.11, the SEC provided that much of what constitutes ordinary course institutional investor engagement with portfolio companies – including engagement on executive compensation, corporate governance matters (such as

board declassification), or social or environmental policies – would not, on its own, constitute an attempt to change or influence control of such companies, and therefore preclude such investors from reporting on Schedule 13G. New C&DI 103.12 deviates from this permissive approach, emphasizing that such engagement may constitute an attempt to influence or control issuers if it involves an attempt to exert pressure on management to take specific actions. The updated guidance provides for a facts-and-circumstances approach that looks to "the subject matter of the engagement [and] the context in which the engagement occurs." As examples of engagement that may constitute attempts to influence control, C&DI 103.12 cites circumstances where an investor:

- "recommends that the issuer remove its staggered board, switch to a majority voting standard in uncontested director elections, eliminate its poison pill plan, change its executive compensation practices, or undertake specific actions on a social, environmental, or political policy and, as a means of pressuring the issuer to adopt the recommendation, explicitly or implicitly conditions its support of one or more of the issuer's director nominees at the next director election on the issuer's adoption of its recommendation; or
- discusses with management its voting policy on a particular topic and how the issuer fails to meet the shareholder's expectations on such topic, and, to apply pressure on management, states or implies during any such discussions that it will not support one or more of the issuer's director nominees at the next director election unless management makes changes to align with the shareholder's expectations."

Key takeaways of new Regulations 13D and 13G C&DIs

- Investors who have historically reported their beneficial ownership on Schedule 13G as QIIs and passive investors will now need to closely consider this new guidance in determining whether their engagement tactics with companies on certain topics historically perceived as ordinary course engagement topics may now cause them to be viewed as holding their securities with a "purpose or effect of changing or influencing control of the issuer," and, therefore, trigger a loss of eligibility to report beneficial ownership on Schedule 13G. If so, such investors are required to report beneficial ownership on Schedule 13D within five business days of losing eligibility to report on Schedule 13G.
- The examples set forth in C&DI 103.12 reflect very common practices in investment stewardship engagement on the part of institutional investors that historically have relied on Rule 13d-1(b). C&DI 103.12 does provide that Schedule 13G eligibility generally would remain available for an investor whose engagement discussions merely cover such investor's "views on a particular topic and how its views may inform its voting decisions, without more." However, the distinction between such purely informative discussions and engagement that "pressures" management to adopt practices consistent with an investor's views will likely be extremely difficult to define in practice.
- Investors for whom Schedule 13G eligibility is a priority should carefully evaluate the ability to continue company-specific engagement. Such evaluations may result in investors abandoning certain historical engagement tactics in favor of publicly available policies describing their positions and company disclosures when making voting determinations.

As a result, this new guidance has the potential to significantly reshape the corporate governance, executive compensation and ESG landscape, and the role of institutional investor stewardship therein.

Staff Legal Bulletin 14M

On February 12, 2025, the Staff issued SLB 14M, which addresses several aspects of Rule 14a-8 and the no-action letter process with the SEC. Most notably, SLB 14M rescinds SLB 14L in full, reinstates guidance previously rescinded by SLB 14L, and provides clarifying views of the Staff on the scope and application of the "economic relevance" exclusion provided by Rule 14a-8(i)(5) and the "ordinary business" exclusion provided by Rule 14a-8(i)(7).

This new guidance reverses approximately four years of Staff guidance and no-action letter precedent, which had effectively changed how the Staff reviewed and analyzed whether shareholder proposals were eligible for exclusion from proxy materials under Rule 14a-8. In contrast to SLB 14L, which many stakeholders believed raised the burden for companies seeking to exclude

shareholder proposals and introduced uncertainty in the no-action letter process, particularly those related to environmental and social issues, it is widely expected that the guidance issued in SLB 14M will significantly lower the burden for companies seeking to exclude shareholder proposals, particularly regarding the application of Rules 14a-8(i)(5) and (i)(7) and certain procedural deficiencies in connection with shareholder proposal submissions.

Generally, SLB 14M presents its approach as a return to the standards that, as described below, historically prevailed before the issuance of SLB 14L. The replacement of SLB 14L and reinstatement of prior Staff guidance appears to be one of the first of many steps by the SEC and Staff of a large-scale pullback of rules and Staff guidance adopted and issued by the SEC under the prior Chair Gary Gensler's administration.

Rule 14a-8(i)(5), 'economic relevance' exclusion

Rule 14a-8(i)(5), or the "economic relevance" exclusion, permits a company to exclude a proposal that "relates to operations which account for less than 5% of the company's total assets at the end of its most recent fiscal year, and for less than 5% of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company's business."

As the Staff explained in SLB 14M, the SEC adopted the current version of Rule 14a-8(i)(5) in response to the Staff's interpretation of the prior iteration of the rule, which had resulted in the denial of no-action relief where the shareholder proposal reflected social or ethical issues, rather than economic concerns, raised by the company's business, and the company conducted any such business, no matter how small. The SEC felt the Staff's interpretation of the rule may have "unduly limit[ed] the exclusion."

The Staff's guidance in SLB 14M reverts the focus of the rule to a company-specific approach for analyzing exclusionary arguments under Rule 14a-8(i)(5), thereby effectuating the stated intent of the current version of the rule.

Changes to application of Rule 14a-8(i)(5)

SLB 14M specifically provides "proposals that raise issues of social or ethical significance may be excludable, notwithstanding their importance in the abstract, based on the application and analysis of each of the factors of Rule 14a-8(i)(5) in determining the proposal's relevance to the company's business." In other words, the Staff's analysis will focus on a shareholder proposal's significance to the company's business when it otherwise relates to operations that account for less than 5% of total assets, net earnings and gross sales. The Staff further stated that, because Rule 14a-8(i)(5) "allows exclusion only when the matter is not 'otherwise significantly related to the company,' we view the analysis as dependent upon the particular circumstances of the company to which the proposal is submitted."

As a result, for those shareholder proposals that "raise social or ethical issues," a shareholder proponent "would need to tie those matters to a significant effect on the company's business" in order to avoid exclusion under Rule 14a-8(i)(5), and "[t]he mere possibility of reputational or economic harm alone will not demonstrate that a proposal is 'otherwise significantly related to the company's business.'" In contrast, and consistent with prior Staff guidance in this area, the Staff stated that it "would generally view substantive governance matters to be significantly related to almost all companies."

In addition, the Staff clarified that, in analyzing whether a proposal is "otherwise significantly related" under Rule 14a-8(i)(5), the Staff will not look to its analysis under Rule 14a-8(i)(7), which has at times informed the Rule 14a-8(i)(5) analysis in the past. The Staff also provided that by separating the analytical frameworks between Rule 14a-8(i)(5) and Rule 14a-8(i)(7), the intended purposes of each exclusionary basis under Rule 14a-8 would be more properly recognized.

Rule 14a-8(i)(7), 'ordinary business' exclusion

Rule 14a-8(i)(7), or the "ordinary business" exclusion, permits a company to omit a shareholder proposal that "deals with a matter relating to the company's ordinary business operations." The policy underlying the ordinary business exclusion is based on two considerations.

The first is the "subject matter" of the proposal – that is, whether, as described in a **1998 SEC release**, it refers to matters that are "so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight," with the rationale being that the resolution of these types of matters is considered to be more properly the province of management and the board of directors than of the shareholders. However, as noted in the 1998 release, proposals relating to these matters but focusing on significant social policy issues generally would not be excludable "because such issues typically fall outside the scope of management's prerogative." The second consideration is whether a proposal seeks to "micromanage" a company by probing too deeply into matters upon which shareholders would not be in a position to make an informed judgment.

With respect to the first prong of Rule 14a-8(i)(7), whereas SLB 14L had directed the Staff not to focus on the nexus between a policy issue and the company, but instead to focus on the social policy significance of the issue that is the subject of the shareholder proposal, SLB 14M states that the Staff "will take a company-specific approach in evaluating significance, rather than focusing solely on whether a proposal raises a policy issue with broad societal impact or whether particular issues or categories of issues are universally 'significant.'" With respect to the second consideration, SLB 14M reinstates the guidance on "micromanagement" previously rescinded by SLB 14L. These changes are more fully described below.

Changes to application of Rule 14a-8(i)(7)

As discussed above, the SEC has stated that the policy underlying the "ordinary business" exclusion rests on two central considerations: the first relates to the shareholder proposal's subject matter, and the second relates to the degree to which the shareholder proposal "micromanages" the company.

With respect to the **subject matter** prong of Rule 14a-8(i)(7), SLB 14M:

- **Replaces the SLB 14L guidance that had broadened the scope of the "significant social policy" exception and replaces it with a company-specific approach.** In determining whether a policy issue transcends ordinary business, the Staff historically considered the nexus between such policy issue and the company. The SLB 14M guidance represents a return to this historical framework under which the Staff analyzes whether a proposal raises a matter relating to an individual company's ordinary business operations or raises a policy issue that transcends the individual company's ordinary business operations. In other words, SLB 14M resets the Staff's focus on whether a particular policy issue raised by a proposal is significant to a particular company rather than the significance to society as a whole. Not surprisingly, SLB 14M affirms that such analysis will be made on a case-by-case basis.
- **Reinstates the Staff's historical view that proposals involving "the management of the workforce, such as the hiring, promotion, and termination of employees," generally relate to ordinary business matters, as well as its historical approach of concurring in the exclusion of proposals that relate solely or primarily to general employee compensation and benefits.** SLB 14L had provided that proposals squarely raising human capital management issues with a broad societal impact would not be subject to exclusion solely because the proponent did not demonstrate that the human capital management issue was significant to the company. SLB 14M rescinds this guidance.
- **Does not reinstate the board analysis required under previous Staff guidance.** SLB 14M did not reinstate the portions of SLBs 14I, 14J and 14K encouraging the provision of a board analysis of whether a proposal raises a significant social policy issue. SLB 14M provides that a company may, but is not required to, submit a board analysis if it believes it will help the Staff analyze the no-action request.

With respect to the **micromanagement** prong of Rule 14a-8(i)(7), SLB 14M restores the Staff's guidance that had been in place before SLB 14L narrowed the scope of the micromanagement exclusion by:

- **Reinstating the Staff's pre-SLB 14L approach, set forth in SLBs 14J and 14K, of concurring in the exclusion of proposals that "involve intricate detail, or seek to impose specific time-frames or methods for implementing complex policies,"** including social and environmental proposals requesting companies adopt time frames or targets, and those addressing senior executive and/or director compensation that seek intricate detail or seek to impose specific time frames or methods for implementing complex policies.
- **Reinstating the Staff's pre-SLB 14L approach of concurring in the exclusion of proposals requesting reports if the substance of the report relates to the imposition or assumption of specific time frames or methods for implementing complex policies.** SLB 14L rescinded the guidance in SLB 14J addressing the application of the "micromanagement" prong to proposals requesting reports and did not itself specifically address proposals requesting reports.
- **Abandoning SLB 14L's criteria for determining whether proposals probe matters "too complex" for shareholders, as a group, to make an informed judgment.** In assessing whether proposals related to disclosure, target setting and time frames probe matters "too complex" for shareholders, as a group, to make an informed judgment, the Staff will no longer require companies to demonstrate that a shareholder proposal does not reference a well-established national or international framework as was required pursuant to the prior guidance in SLB 14L. SLB 14M reinstates the guidance in SLB 14K, which provided that the Staff's concurrence with a company's micromanagement argument would be based on the Staff's assessment of the level of prescriptiveness of the proposal, rather than the Staff's view of the proposal as presenting issues that are too complex for shareholders to understand.

Attached to this alert as **Appendix A** is a chart comparing the principles of application of the Rule 14a-8(i)(7) exclusion under SLB 14L to those under the new and reinstated guidance set forth in SLB 14M.

Additional guidance included in SLB 14M

In addition to the rescission of SLB 14L and the guidance noted above, SLB 14M also provides information related to other aspects of Rule 14a-8, including:

- **Staff to review no-action request arguments under the historical application of Rules 14a-8(i)(10), (i)(11) and (i)(12).** SLB 14M provides that the Staff considers no-action requests under operative SEC rules and applicable Staff guidance, and specifically notes that the amendments proposed by the SEC in 2022 to narrow the "substantial implementation," "duplication" and "resubmission" exclusions have not been adopted. Specifically, with respect to Rule 14a-8(i)(10), success rates steadily declined for substantial implementation arguments in the immediate aftermath of the 2022 proposed amendments, with a slight uptick in success of such arguments in recent years. With the issuance of SLB 14M and the Staff providing that it will analyze requests under the historical application of Rule 14a-8, and not pursuant to a proposed rulemaking, it is expected that substantial implementation arguments under Rule 14a-8(i)(10) and the success rate for such arguments will likely increase going forward.
- **Use of graphics and images in shareholder proposals and proof of ownership letters.** SLB 14M also republishes previous guidance related to the use of graphics and images (i.e., a proposal may violate the procedural requirement of Rule 14a-8(d) providing that a proposal may not exceed 500 words if the total number of words in a proposal, including the words in the graphics and images, exceeds 500) and to proof-of-ownership letters that was originally contained in rescinded SLBs 14I and 14K, with some minor technical changes. Most notably, Staff clarifies a long-standing debate among Rule 14a-8 stakeholders by providing that it does not view Rule 14a-8 as requiring a company to send a second deficiency notice to a shareholder proponent if the company previously sent an adequate deficiency notice prior to receiving the proponent's proof of ownership and the company believes that the proponent's proof of ownership letter contains a defect.
- **Use of email.** In addition, SLB 14M includes new guidance on the use of email for submission of proposals, delivery of notices of defects and responses to those notices.

SLB 14M FAQs

Further, the Staff provided certain questions and answers related to how companies, shareholder proponents and their

representatives may implement the provisions of SLB 14M.

The following is a summary of such questions and answers:

- **What guidance will the Staff consider when reviewing pending requests and should companies resubmit a request or submit supplemental correspondence in light of SLB 14M?** The Staff stated that it will consider the guidance in place at the time it issues a response to the no-action request. Accordingly, companies should review the guidance provided in SLB 14M in relation to arguments made in pending requests to consider whether to supplement exclusionary arguments included therein.
- **Can a company submit a new no-action request if the Rule 14a-8(j) deadline has passed?** The Staff stated that it will consider the publication of SLB 14M to be "good cause" under Rule 14a-8(j) **only** if a new no-action request relates to legal arguments made in response to the guidance provided in SLB 14M; a finding of "good cause" would not be appropriate if a new request does not relate to SLB 14M guidance.

Finally, the Staff stated that it will endeavor to meet proxy print deadlines when responding to no-action requests considering the new guidance published in SLB 14M, and continued to encourage companies and shareholder proponents to collaborate on proposals in order to resolve submitted proposals prior to print deadlines.

What SLB 14M means for companies and next steps

- The refocusing of the "economic relevance" exclusion under Rule 14a-8(i)(5) on the SEC's intent when adopting the current version of the rule means that this exclusion will now become a viable basis for exclusion on its own and no longer be tied to the availability or unavailability of the "ordinary business" exclusion under Rule 14a-8(i)(7). This is a significant change in course from the Staff related to how the economic relevance exclusion has been recently applied. As a result, companies should review pending no-action requests, or revisit whether an argument should be made in a new request, to determine whether there is a viable exclusionary argument to be made under Rule 14a-8(i)(5) for those proposals not "otherwise significantly related to the company's business.
- The narrowing of the application of the social policy exception to the "ordinary business" exclusion under Rule 14a-8(i)(7) means that proposals involving issues that are of broad societal impact may nevertheless be excludable if they are not significant to the company receiving the proposal. In addition, the broadening of the "micromanagement" exclusion under Rule 14a-8(i)(7) means that climate proposals that seek to impose specific time frames or methods, for example, may once again be excludable. As a result, proposals that are overly prescriptive or seek to impose specific time frames or methods, or that are not significantly related to a company's business, will again likely be eligible for exclusion from proxy materials.
- Companies should review pending no-action requests to determine if a new or supplemental argument should be made pursuant to Rules 14a-8(i)(5) and (i)(7) when seeking exclusion of shareholder proposals that relate to the guidance provided in SLB 14M.
- For those companies that have not yet submitted no-action requests, even if their deadline to submit a request has passed, consideration should be given as to whether there are valid exclusionary arguments to be made in response to the SLB 14M guidance, particularly for those proposals that relate to environmental or social concerns.

Appendix A

Exemption	New/reinstated guidance (source)	Rescinded SLB 14L guidance
14a-8(i)(7)(subject matter prong)	States that the Staff will take a company-specific approach in evaluating significance, rather	States that Staff will no longer focus on determining the nexus between a policy issue and the

	than focusing solely on whether a proposal raises a policy issue with broad societal impact, or whether particular issues or categories of issues are universally "significant." (SLB 14M) States that a policy issue that is significant to one company may not be significant to another. (SLB 14M) States that the Staff's analysis will focus on whether the proposal deals with a matter relating to an individual company's ordinary business operations or raises a policy issue that transcends the individual company's ordinary business operations. (SLB 14M)	company, but will instead focus on the social policy significance of the issue that is the subject of the shareholder proposal.
14a-8(i)(7)(subject matter prong)	States that proposals involving "the management of the workforce, such as the hiring, promotion, and termination of employees," generally relate to ordinary business matters. (SLB 14J) States that proposals that relate to general employee compensation and benefits are excludable under Rule 14a-8(i)(7). On the other hand, proposals that focus on significant aspects of senior executive and/or director compensation generally are not excludable under Rule 14a-8(i)(7). (SLB 14J) States that, in evaluating	States that proposals squarely raising human capital management issues with a broad societal impact would not be subject to exclusion solely because the proponent did not demonstrate that the human capital management issue was significant to the company.

	proposals that raise both ordinary business and senior executive and/or director compensation matters, the Staff examines whether the focus of the proposal is an ordinary business matter or aspects of senior executive and/or director compensation. Where the focus appears to be on the ordinary business matter, the proposal may be excludable under Rule 14a-8(i)(7). (SLB 14J)	
14a-8(i)(7)(subject matter prong)	States that the Staff will not expect a company's no-action request to include a discussion that reflects the board's analysis of the particular policy issue raised and its significance to the company. A company may submit a board analysis for the Staff's consideration if it believes it will help the Staff analyze the no-action request. (SLB 14M)	States that because the Staff is no longer taking a company-specific approach to evaluating the significance of a policy issue under Rule 14a-8(i)(7), it will no longer expect a board analysis as part of demonstrating that the proposal is excludable under the ordinary business exclusion.
14a-8(i)(7) (micromanagement prong)	States that a proposal may probe too deeply into matters of a complex nature if it "involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies." The Staff applies this framework when evaluating whether a proposal micromanages a company and is therefore excludable. (SLB 14J) Notes that it applies the same framework to proposals that request studies or reports. A	States that the Staff will take a measured approach to evaluating companies' micromanagement arguments – recognizing that proposals seeking detail or seeking to promote time frames or methods do not per se constitute micromanagement. Instead, the Staff will focus on the level of granularity sought in the proposal and whether and to what extent it inappropriately limits discretion of the board or management.

		proposal that seeks an intricately detailed study or report may be excluded on micromanagement grounds. It also notes that the Staff would consider the underlying substance of the matters addressed by the study or report. Thus, for example, a proposal calling for a report may be excludable if the substance of the report relates to the imposition or assumption of specific time frames or methods for implementing complex policies. (SLB 14J) States that the Staff may agree that proposals addressing senior executive and/or director compensation that seek intricate detail, or seek to impose specific time frames or methods for implementing complex policies, can be excluded under Rule14a-8(i)(7) on the basis of micromanagement. (SLB 14J) States that in considering arguments for exclusion based on micromanagement, the Staff looks to whether the proposal (regardless of its precatory nature) seeks intricate detail or imposes a specific strategy, method, action, outcome or timeline for addressing an issue, thereby supplanting the judgment of management and the board. (SLB 14K) States that when analyzing a proposal to determine the underlying concern or central purpose of any proposal, the	States that the Staff will focus on the level of granularity sought in the proposal and whether and to what extent it inappropriately limits discretion of the board or management, but that the Staff would expect the level of detail included in a shareholder proposal to be consistent with that needed to enable investors to assess an issuer's impacts, progress toward goals, risks or other strategic matters appropriate for shareholder input.

	Staff looks not only to the resolved clause but to the proposal in its entirety. Thus, if a supporting statement modifies or refocuses the intent of the resolved clause, or effectively requires some action in order to achieve the proposal's central purpose as set forth in the resolved clause, the Staff takes that into account in determining whether the proposal seeks to micromanage the company. (SLB 14K)	
14a-8(i)(7) (micromanagement prong)	States that where the Staff has concurred with a company's micromanagement argument, it was not because the Staff viewed the proposal as presenting issues that are too complex for shareholders to understand. Rather, it was based on the Staff's assessment of the level of prescriptiveness of the proposal. When a proposal prescribes specific actions that the company's management or board must undertake without affording them sufficient flexibility or discretion in addressing the complex matter presented by the proposal, the proposal may micromanage the company to such a degree that exclusion of the proposal would be warranted. (SLB 14K)	States that, in order to assess whether a proposal probes matters "too complex" for shareholders, as a group, to make an informed judgment, the Staff may consider the sophistication of investors generally on the matter, the availability of data, and the robustness of public discussion and analysis on the topic. The Staff also may consider references to well-established national or international frameworks when assessing proposals related to disclosure, target setting, and time frames as indicative of topics that shareholders are well-equipped to evaluate.
14a-8(i)(7) (micromanagement prong)	Provides the following example: the Staff agreed that a proposal to generate a plan to reach net-zero greenhouse gas emissions	Provides the following example: the Staff denied no-action relief for a proposal requesting that the company set targets

	by the year 2030 for all aspects of the business that are directly owned by the company and major suppliers – including but not limited to, manufacturing and distribution, research facilities, corporate offices and employee travel – was excludable on the basis of micromanagement. (SLB 14J) Provides the following example: the Staff agreed that a proposal seeking annual reporting on "short-, medium- and long-term greenhouse gas targets aligned with the greenhouse gas reduction goals established by the Paris Climate Agreement to keep the increase in global average temperature to well below 2 degrees Celsius and to pursue efforts to limit the increase to 1.5 degrees Celsius" was excludable on the basis of micromanagement. (SLB 14K)	covering the greenhouse gas emissions of the company's operations and products. The Staff concluded this proposal did not micromanage to such a degree to justify exclusion under Rule 14a-8(i)(7). Notes that many of the proposals addressed in the rescinded SLBs requested companies adopt time frames or targets to address climate change that the Staff concurred were excludable on micromanagement grounds, and states that going forward Staff would not concur in the exclusion of similar proposals that suggest targets or timelines so long as the proposals afford discretion to management as to how to achieve such goals.

Key Contacts

Brad Goldberg New York	bgoldberg@cooley.com +1 212 479 6780
Beth Sasfai New York	bsasfai@cooley.com +1 212 479 6081
Reid Hooper Washington, DC	rhooper@cooley.com +1 202 776 2097
Michael Mencher San Francisco	mmencher@cooley.com +1 415 693 2266
Amanda Weiss New York	alweiss@cooley.com +1 212 479 6858
Justin Kisner San Diego	jkisner@cooley.com +1 858 550 6109
Luci Altman	laltman@cooley.com +1 212 479 6526