The Honourable Paul Atkins, Chairman
Ms. Vanessa Countryman, Secretary
US Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

20 November 2026

Dear Chairman Atkins and Secretary Countryman,

Subject: Request for Public Comments on Rescission of Rule 14a-8 and Amendments to Rule 14a-4, File No. S7-2026-32

The International Corporate Governance Network (ICGN) appreciates the opportunity to comment on the proposed Rescission of Rule 14a-8's Federal Regulation of Shareholder Proposals and Amendments to Rule 14a-4. Due to the impact of the proposed Rule on investors, we are opposed to the proposed Rescission and Amendments.

Led by investors responsible for assets under management of >US$100 trillion, ICGN is an authority on global standards of corporate governance and investor stewardship. Headquartered in London, our membership is based in more than 40 countries. ICGN's *Global Governance Principles* and *Global Stewardship Principles*, written from an investor perspective, are widely used by our members in their company assessments and voting decisions, and by regulators when developing corporate governance rules.

ICGN strongly opposes the proposed rescission of Rule 14a-8 and the proposed amendments to Exchange Act Rule 14a-4(c).

Rule 14a-8 provides an established federal framework that supports shareholder rights, private ordering, and dialogue between companies and investors. Its no-action process helps resolve disputes without litigation, saving significant time and cost for both parties.

Rescission would replace this framework with uncertainty, fragmented state requirements, disparate company documents, and greater legal costs. The SEC has not demonstrated that these consequences would be outweighed by benefits to investors, companies, or the US capital markets.

Taken together with other SEC changes, including proposals to reduce the frequency of company reporting, scale back Sarbanes-Oxley safeguards, and change the proxy solicitation process, recission would further erode shareholder rights and weaken investor protections across the US market. The cumulative effect would be to increase the cost of exercising ownership rights across an investor's portfolio while making those rights less effective in holding boards and management to account. The SEC should assess that cumulative impact on shareholder rights and protections before proceeding.

Our key positions and requests are:

- **Retain Rule 14a-8 and restore substantive staff responses under its established no-action process.** We believe the SEC has statutory authority under Section 14(a) to regulate the content of proxy materials. The framework has operated for over 80 years, supported by guidance and case law on which companies, investors, and the courts rely.
- **Protect shareholder proposals as a crucial tool for private ordering.** Proposals allow investors and companies to shape governance practices without more prescriptive regulation. They have supported significant reforms, including declassified boards and majority voting standards. Even without majority support, proposals can send important signals to boards, particularly where multi-class share structures limit shareholders' voting influence.
- **Fully assess the costs of rescission for investors, companies, and beneficiaries.** Companies, investors, and courts have relied for decades on a consistent federal framework for shareholder proposals. Rescission would make shareholder rights harder and more costly to exercise across diversified US portfolios, increase the risk of costly litigation and make it harder for investors to bring emerging financially material risks to boards' attention. The SEC should weigh any administrative savings for individual issuers against the disruption to established practices and the wider costs to companies, investors, and their beneficiaries.
- **Reassess the market-wide economic effects of rescinding Rule 14a-8.** The SEC should determine whether potential issuer savings would reduce overall costs once it accounts for litigation, recurring costs for diversified investors, and indirect costs borne by shareholders. Its analysis should reflect the wider impact on companies, investors, and the millions of households whose savings and retirement security depend on US public markets. Retaining a predictable federal framework supports effective stewardship, investor confidence, and capital formation. Rescission could weaken investor protections, make US public markets less attractive, and raise the cost of capital for US companies.
- **Reject the proposed amendments to Rule 14a-4(c).** Making it easier for issuers to omit shareholder proposals from proxy cards would undermine effective voting by the owners of the company. A check box allowing shareholders to withhold discretionary voting authority does not replace the opportunity to vote on these off ballot proposals just as investors have the right to vote for or against a proposal that the company includes on the ballot.
- **Pursue targeted improvements rather than full rescission or wholesale deferral to state law.** If the Commission seeks specific policy outcomes, we would prefer that the SEC consider ideas to streamline the process while preserving investor protections that were included in the 2020 Final Rule. The SEC should convene an issuer and investor roundtable, and consult separately on any changes, explaining their objectives and assessing costs, benefits, and reliance interests.
- **Extend the comment periods for this proposal and the Proxy Solicitation Modernisation Proposed Rule from 60 to 120 days.** Together, the proposals contain 380 pages and 84 questions, many requiring data extraction and analysis.

We also support a public roundtable hosted by the SEC to consider alternatives to protect investors before the SEC takes action.[1]

- **Defer action on these proposals until new Commissioners have been appointed.** Decisions of this significance should benefit from consideration by a full Commission, particularly where the current composition could allow a single Commissioner to approve the final rules.[2] We are aware that two individuals have been recently nominated by the White House. Action on pending rules should be stayed until the Senate acts to confirm them and another Commissioner.
- **Revise the rescission proposal to provide a clear implementation timetable and transition plan**, with explicit confirmation that the existing process will remain in place for the 2027 and 2028 proxy seasons. If the SEC moves forward, a transition plan must be incorporated into the Final Rule(s).

Detailed comments:

1. Retain Rule 14a-8 and restore substantive staff responses under its established no-action process.

We believe that the SEC has statutory authority and significant public policy reasons to administer Rule 14a-8. We strongly disagree with the SEC's conclusion that Rule 14a-8 exceeds its statutory authority.

We believe that the SEC has clear statutory authority:

The Rule's predecessor was adopted in 1942, and the overall framework has operated for over 80 years, supported by SEC guidance and extensive litigation involving issuers and shareholder proponents.[3] We are not aware of a federal case holding that Rule 14a-8 is beyond the SEC's statutory authority. Rather, federal courts have built up a body of case law referring to the SEC's role and authority.

The distinction between the SEC's federal proxy regulations and state corporate law is the root of this discussion. As several securities law experts have emphasized, regulation of the company's proxy communication should be distinguished from the legal effect of a proposal, which remains governed by state corporate law.[4] Precatory proposals do not require a company to take action, amend its charter, and/or governing documents. State law continues to determine their substantive legal effect. Rule 14a-8 governs whether proposals *appear* in a company's proxy materials, within the SEC's authority over proxy communications under Section 14(a). We agree with the Council of Institutional Investors (CII) that "Rule 14a-8 regulates the proxy voting process for shareholder proposals; it does not redistribute voting

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[1] ICGN comment letter to the SEC, 30. ICGN letter to SEC on shareholder proposals, 12 October 2025.
[2] The SEC now has only two members filling the seats of a 5-member Commission. Quorum requirements have been set that only one Commissioner may suffice for Quorum requirements. Final rule: Commission Quorum Requirement, 30 September 2026.
[3] SEC, Rescission of Rule 14a-8's Federal Regulation of Shareholder Proposals and Amendments to Rule 14a-4, Release No. 34-106383, File No. S7-2026-32 ("Rescission Proposal"), p. 7 and footnote 7, citing Release No. 34-3347, 18 December 1942, 7 FR 10655, 22 December 1942.
[4] John Coates et al., "Shadow SEC Statement No. 16: Retain Rule 14a-8," CLS Blue Sky Blog (Oct. 13, 2026), https://clsbluesky.law.columbia.edu/2026/10/13/shadow-sec-statement-no-16-retain-rule-14a-8/ (Shadow SEC Statement). The Shadow SEC is a group of securities law scholars, formed in December 2024, that comments on SEC policy. See "Announcement of the Formation of The Shadow SEC," CLS Blue Sky Blog, Dec. 16, 2024, https://clsbluesky.law.columbia.edu/2024/12/16/announcement-of-the-formation-of-the-shadow-sec/.

power".[5] We also refer to the analysis in Shadow SEC Statement No. 16[6] that the "Rule regulates a federal communications channel while leaving the legal effect of corporate action to state law". That statement identifies a substantial body of decisions supporting or proceeding on the basis of the SEC's and the Rule's authority.[7]

One relevant case that was not referred to in the proposed rescission is *Amalgamated Clothing & Textile Workers Union v. Wal-Mart Stores, Inc.*, 821 F. Supp. 877 (S.D.N.Y. 1993). Shareholders sought to prevent Wal-Mart from omitting their proposal from materials for its 4 June 1993 annual meeting. Judge Kimba Wood required inclusion of the proposal as modified by the court.[8]

Judge Wood determined that Congress entrusted the SEC with ensuring that shareholders receive information on major policy questions raised at annual meetings. In her judgement entry and order, she ruled that difficulty distinguishing includable from excludable proposals did not excuse the SEC from administering its framework consistently with its rules and interpretive guidance.

Taken together, the *Wal-Mart* judgment and the authorities identified in Shadow SEC Statement No.16 provide strong support for the SEC's authority to administer Rule 14a-8. The SEC should address this body of authority fully before concluding that Rule 14a-8 exceeds its statutory powers.

We also believe that the SEC has significant public policy reasons for continuing to administer the Rule:

The Rule 14a-8 no-action process has helped companies and investors avoid the time and expense of litigation. When a company sought to exclude a shareholder proposal, SEC staff applied the Rule to the facts and circumstances of the case. Courts remained available to both parties, however, staff views gave companies and investors a practical basis for resolving many questions without litigation.

The SEC is well placed to provide this guidance. Its experience applying Rule 14a-8 gives companies and investors a common reference point for assessing whether a proposal may be excluded. That role supports the SEC's mission to protect investors, maintain fair, orderly and efficient markets, and facilitate capital formation. Rescinding the Rule would remove an established federal framework that both companies and investors have relied on.

Any recission must be explained as a public policy choice:

As CII explained in its comment letter, "The Commission must also distinguish a conclusion that rescission is legally compelled from a discretionary policy choice". It has not done so. CII also noted, "The US Supreme Court's decision in *Chenery* and the D.C. Circuit's decision in *Prill* require agency action to stand on the grounds the agency actually adopts and caution against decisions resting on an erroneous view of the law. The Release expressly offers

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[5] Council of Institutional Investors (CII) Comment Letter, CII_14a-8 Comment Letter_Final_11_5_2026.pdf, 5 November 2026.
[6] John Coates, John C. Coffee, Jr., James D. Cox, Merritt B. Fox and Joel Seligman, Shadow SEC Statement No. 16: Retain Rule 14a-8, 13 October 2026.
[7] Ibid.
[8] *Amalgamated Clothing & Textile Workers Union v. Wal-Mart Stores, Inc.*, 821 F. Supp. 877, 879–880 and 892 (S.D.N.Y. 1993).

independent policy grounds for rescission; those grounds must stand on their own record and analysis, including consideration of narrower alternatives".[9]

Instead of full rescission, if there is a policy desire to make changes, the SEC could consider limited amendments to address specific concerns based on the 2020 Final Rule. It should clearly set out the policy goals it is trying to solve, and consult on any proposed amendments through a reasoned process consistent with the Administrative Procedure Act, rather than treating full rescission as legally unavoidable under either statutory or public policy arguments.

If the policy rationale is workload, we believe that the rationale requires closer examination:

The draft proposal and earlier narrative by the SEC Division of Corporate Finance raises policy concerns about SEC staff resources. However, proposal-volume data support examining recent developments before dismantling the framework.

The Society for Corporate Governance, reporting Proxy Analytics data for 1 July 2025 to 15 May 2026, identified:

- 722 tracked proposals, approximately 17% below the full 2025 season, which ran from 1 July 2024 to 30 June 2025.
- 438 proposals appearing in proxy statements, compared with 497 for the full 2025 season, approximately 12% lower.[10]
- Glass Lewis reported that despite the overall reduction of proposals in 2026, there were approximately 29.7% more governance proposals than last year, showing that investors are keenly focused on material governance issues as a central theme.[11]

In addition, D.F. King reported that proposals submissions filed in 2026 were down nearly 25% from 2025, the lowest level seen in its review over the past decade.[12]

These are more recent season comparisons, and proposal volumes do not directly measure no-action workload. Nevertheless, they warrant reassessing the workload rationale. Clearer guidance and process improvements could further reduce demands on the Division of

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[9] Council of Institutional Investors (CII) Comment Letter, CII_14a-8 Comment Letter_Final_11_5_2026.pdf, 5 November 2026.

[10] Society for Corporate Governance, Shareholder Proposals: Mid-Season Trends, displayed publication date 14 June 2026, reporting Proxy Analytics data through 15 May 2026. See also Minerva Analytics which recorded 478 US shareholder proposals during the first three quarters of 2026, compared with 541 in full-year 2025 and 702 in full-year 2024. Because most US meetings take place between April and June, the Q1-3 figure is a useful signal, but it is not yet directly comparable with completed annual totals. It suggests that shareholder proposals look likely to decline slightly compared to 2025 following the SEC's change in 'no action' approach. October 2026, US SEC Moves to Rescind Rule 14a-8

[11] Glass Lewis, 24 September 2026, Four Observations About US Shareholder Proposals in Proxy Season 2026 Conventional governance-focused shareholder proposals surged in volume, while environmental, social, and so-called anti-ESG submissions continued to decline, likely driven by shifting investor sentiment and changing strategies in addition to the SEC policy change. ISS-Corporate Report Reveals How Shifting Governance Norms Shaped the 2026 US Proxy Season, 24 September 2026.

[12] D.F. King 2026 Proxy Season: Shareholder Proposals, Harvard Law School Forum on Corporate Governance, 31 August 2026.

Corporation Finance. The SEC should assess whether clearer guidance and process improvements could address its resource concerns without rescinding the Rule.

We would encourage the SEC to retain a no-action process with reforms to reduce unnecessary demands on Commission staff. We believe that effective reforms would include clarifying timeframes for proponents to respond to exclusion notices and promoting engagement between issuers and proponents. Such reforms could reduce SEC staff workload and improve process efficiencies for both investors and issuers while preserving meaningful investor access to company proxy materials.

We do not believe that there is a policy argument that these proposals are necessary to encourage companies to list in the public markets:

We do not believe that this is necessary and we do not consider that the SEC has demonstrated a link between recission and promoting IPOs. The Chairman's recent remarks noted that IPO performance is strong, and many new IPOs are progressing under existing rules, supported by investor capital. Weakening shareholder rights risks undermining investor confidence and companies' ability to attract necessary capital.[13]

2. Protect shareholder proposals as a crucial tool for private ordering.

Rule 14a-8 supports shareholder rights and private ordering. Shareholder proposals can be one of the most powerful ways for investors to exercise their voices as owners. When a company refuses to discuss an investor's concerns and seeks to exclude their proposal from the ballot, the SEC's no-action guidance provides an important route to resolution without court proceedings. Removing the framework may therefore increase litigation costs and the need for specialist legal counsel for both issuers and investors.

The SEC's assessment should account for the full role the Rule plays in facilitating engagement, enabling informed voting, supporting company-level governance reform and resolving disputes.

Rule 14a-8 makes bilateral engagement more effective:

Shareholder proposals can be one of the most effective ways for investors to exercise their voices as owners. The credible possibility of bringing a concern before fellow shareholders gives companies and investors an incentive to engage and seek a resolution, including before a proposal is filed. This route is particularly important for smaller investors when companies have been insufficiently responsive to requests to discuss long-term risks. The SEC's own data show that between 18.4% and 32.1% of proposals were withdrawn between 2021 and 2025. Withdrawals are one visible part of the activity that takes place before a vote. In assessing rescission, the SEC should also consider the effect on bilateral engagement, negotiated withdrawals and other outcomes, including improvements in disclosure and earlier attention to emerging financially material risks.

The proposal process gives shareholders a transparent way to raise issues and boards a more precise signal:

Inclusion in company proxy materials gives shareholders a common opportunity to assess whether an issue matters to long-term value, debate its merits, and express a view through a vote. It can bring emerging risks and governance concerns to the attention of boards and investors, allowing financially material information to be reflected in market prices. Even

[13] Remarks by Chairman Paul Atkins, SEC.gov | Remarks at the Economic Club of Dallas, 30 October 2026.

modest or rising support can convey a meaningful signal. At companies with multi-class share structures, concentrated voting power can put majority support out of reach when management opposes a proposal, even where other shareholders strongly support it. Boards should recognise and respond to these signals. An assessment focused chiefly on whether proposals achieve majority votes misses much of the value of the process for informed shareholder deliberation and board oversight.

Shareholder proposals have helped companies adopt governance reforms through private ordering:

The process enables companies and investors to shape governance practices in the absence of more prescriptive regulation. Shareholder proposals helped establish auditor ratification as a regular ballot item, strengthening auditor accountability.[14] Proposals and related engagement also helped drive widespread adoption of majority voting[15] and annual director elections through board declassification.[16] These practices, together with proxy access, have strengthened director accountability and given shareholders more effective oversight mechanisms. Research associates the announcement of a major proxy access initiative with an increase in shareholder value at targeted companies.[17] In many cases, following engagement, companies have agreed to put governance proposals on the ballot to test support among their wider shareholder bases.[18]

Rescission could filter out proposals that attract meaningful shareholder support:

The Release finds that individual proponents submitted 75% of the governance proposals that went to a vote and that their proposals received higher average support than those submitted by institutional proponents. The SEC itself acknowledges that rescission could therefore have the opposite filtering effect to the one intended.[19] Its assessment should consider which proposals may become harder to bring forward and the value other shareholders place on the opportunity to vote on them.

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[14] See, e.g., Securities & Exchange Commission v. Transamerica Corp., 163 F.2d 511 (3d Cir. 1947). It was the investor Lewis Gilbert who paved the way for the practice through, in large part, submission of shareholder proposals through the 40's and 50's.

[15] Stephen J. Choi, Jill E. Fisch, Marcel Kahan & Edward B. Rock, *Does Majority Voting Improve Board Accountability?*, 83 U. Chi. L. Rev. 1119 (2016)("Over the past decade, [proponents] have been successful and the shift to majority voting has been one of the most popular and successful governance reforms.").

[16] *See, e.g.,* Lucian A. Bebchuk, Scott Hirst & June Rhee, *Toward the Declassification of S&P 500 Boards*, 3 Harv. Bus. L. Rev. 157 (2013) (finding that shareholder-sponsored declassification proposals and related engagement contributed to 81 board declassifications during 2012-2013 and expected governance changes at approximately 100 S&P 500 and Fortune 500 companies).

[17] Tara Bhandari, Peter Iliev & Jonathan Kalodimos, *Public versus Private Provision of Governance: The Case of Proxy Access*, US Securities and Exchange Commission staff working paper (2015)(Finding that the announcement of a major proxy access initiative was associated with an approximately 0.5% increase in shareholder value at targeted firms, suggesting that shareholder-led adoption of proxy access can create value).

[18] John Coates, John C. Coffee, Jr., James D. Cox, Merritt B. Fox and Joel Seligman, Shadow SEC Statement No. 16: Retain Rule 14a-8, 13 October 2026. See discussion of governance proposals, minority voting signals, statutory authority and cited case law.

[19] SEC, Rescission of Rule 14a-8's Federal Regulation of Shareholder Proposals and Amendments to Rule 14a-4, Release No. 34-106383, File No. S7-2026-32 ("Rescission Proposal"), Release at 104 n.303, 159).

Other stewardship tools may need to carry more of the burden and give boards less precise feedback:

Investors seek constructive dialogue with companies. That priority also informed the concerns raised by investors and many companies about the potential chilling effect of the SEC's changes affecting Schedule 13D and 13G filings. If Rule 14a-8 is rescinded, investors may need to rely more heavily on other stewardship levers, for example direct and collaborative engagement, votes against directors or other management proposals, public statements and other lawful shareholder actions. Each serves a purpose. The proposal process gives investors a structured, transparent way to put a specific issue before fellow owners and register a view on that issue through a vote.

For example, one ICGN member supported 44% of the 348 US shareholder proposals it voted on in 2026. Of the proposals it supported, 84% concerned governance and shareholder rights. At 67% of the meetings where it supported a shareholder proposal, it also supported every director. That voting record shows how an investor can support the board while calling for a specific change. If proposals become less accessible, some of that feedback could be redirected into votes against directors or other management items. This would give boards less precise information about shareholders' concerns, making it harder to direct company resources to the issues investors are raising and potentially reducing long-term shareholder value.

3. Assess how rescission would affect investors, companies and beneficiaries.

Companies, investors and courts have relied on a common federal framework:

Companies and investors have built their governance, engagement, and shareholder proposal practices around Rule 14a-8 over several decades. The SEC itself describes the Rule as the primary reference point for the scope, operation, and limits of shareholder proposals. Consistent application of the Rule simplifies the process and reduces uncertainty, costs and administrative burdens for companies and shareholders.

That reliance extends to the courts. In *Wal-Mart*, Judge Wood explained that courts are under no obligation to defer to individual SEC staff no-action positions and have considered the consistency of the staff's positions and reasoning when deciding whether proposals may be excluded. This body of guidance and case law helps companies and investors assess proposals, anticipate outcomes and resolve disputes.

The SEC acknowledges these reliance interests and has invited comment on them. We agree that the longevity of the Rule cannot by itself establish statutory authority, and we believe the SEC has authority to retain it. The Commission should give meaningful weight to these reliance interests in its final decision and explain whether the expected benefits of rescission justify disrupting established practices and imposing additional costs on investors.

Fragmentation would make shareholder rights harder and more costly to exercise:

Rescission would leave companies and investors navigating a combination of state laws, court decisions, company governing documents and bylaws. According to the proposal, Texas is the only state to have enacted legislation specifically addressing shareholder proposals. Its opt-in framework imposes high dollar-value ownership thresholds, longer holding periods and solicitation requirements. Delaware's statute leaves open whether advisory proposals are a proper subject for shareholder action.

Similarly, moving from a consistent federal framework towards state law and company governing documents risks further fragmentation. Institutional investors hold shares in

companies headquartered across all 50 states. They would face uncertainty as legislatures, courts, and companies developed their approaches. Investors would need to monitor developments across multiple jurisdictions, obtain legal advice on differing eligibility and procedural requirements, and adapt their systems and processes to meet different deadlines. These recurring costs would make it harder for long-term, diversified investors to exercise their rights consistently across their US portfolios. Competition among states to attract incorporations and reincorporations could also put downward pressure on shareholder protections, creating a risk of a race to the bottom.

We encourage the SEC to assess whether any administrative savings for individual issuers would be offset by higher costs for diversified investors exercising their ownership rights across the US market.

We also believe that the SEC should place greater weight on transition risks, including uncertainty for shareholder proposals and related engagements already underway, and the resources required to navigate differing state and company-specific requirements.

Disputes would become more costly for companies and investors to resolve

When engagement fails to resolve a concern and a company seeks to exclude a proposal from its proxy materials, SEC staff no-action guidance has provided an established, cost-effective route for addressing exclusion questions without court proceedings. Companies and investors have benefited from that centralised process for decades. Rescission would leave the underlying disagreements in place and could push more of them into case-by-case negotiations or litigation.

- Legal costs and uncertainty. Companies and investors may need additional specialist outside counsel simply to assess whether a proposal is a proper subject for shareholder action. If a dispute proceeds to court, both sides could face substantial legal costs and demands on management and investor time, alongside uncertainty over whether to bring a claim in state or federal court, who has standing, and what remedies are available.
- Delays and effects on voting. Unresolved disputes could delay decisions, affect how shareholders vote on management proposals and director elections, and divert board and management time from activities that could create long-term shareholder value.
- Greater use of other procedures. Investors may turn to books-and-records requests to obtain information they might otherwise have sought through a shareholder proposal. This could increase administrative costs for companies, which shareholders would ultimately bear. Investors could also face higher costs from independent solicitation, particularly smaller institutional and retail proponents.

The 2026 proxy season offers an early indication of how disputes may be redirected. Following the SEC staff's decision to stop providing substantive responses to most Rule 14a-8 no-action requests, shareholders filed six lawsuits challenging proposal exclusions, compared with fewer than 30 over the preceding 50 years.[20] The increase warrants closer examination of how often litigation could become the practical route for resolving exclusion disputes following rescission.

[20] Six Companies Sued for Excluding Shareholder Proposals from 2026 Proxy Materials | Fenwick & West LLP - JDSupra, 10 April 2026.

The SEC acknowledges the potential for higher litigation costs during the transition, reductions in productive and allocative efficiency, and higher costs for both companies and proponents from alternative engagement methods. Its assessment should also consider the recurring costs of resolving disputes case by case once companies and investors are operating under different rules.

Weaker engagement would make financially material risks harder to escalate:

Shareholder proposals give investors a way to bring emerging financially material risks to the attention of boards and other shareholders. They can serve as an early warning and help protect long-term shareholder value. A less accessible or less predictable proposal process would weaken this means of escalation and leave investors and beneficiaries more exposed to risks that engagements through the proposal process can help address.

This also matters as retail participation in proxy voting increases. We welcome broader participation. As the shareholder voice becomes more dispersed, a consistent and accessible proposal process can help shareholders raise concerns, engage with companies, and bring issues to a vote where appropriate.

4. Reassess the economic effects of rescission across the US public markets

In determining whether rescission is necessary or appropriate in the public interest, the SEC must consider investor protection and whether its action would promote efficiency, competition and capital formation. It must also assess effects on competition under Section 23(a)(2) of the Exchange Act. We believe the uncertainty, fragmentation, and weakening of shareholder rights described above would undermine efficiency, competition, and capital formation. The SEC should assess those consequences alongside any expected savings for issuers.

The affected population extends well beyond proposal proponents:

The SEC's own estimates illustrate the breadth of the potential impact.

- Companies: The SEC identifies 5,357 potentially affected companies, including 142 business development companies. It describes this as an upper-bound estimate because some companies may not file proxy materials or receive a proposal in a given year.[21]
- Registered investment companies: A further 2,720 registered investment companies were subject to the federal proxy rules as of 31 December 2025.
- Shareholder proponents: Approximately 184 identified lead proponents submitted proposals during 2025. The SEC acknowledges that this likely understates the population affected, identifying approximately 502 unique lead proponents across annual and special meetings from 2022 to 2025.[22]
- Institutional investors: The SEC identifies 9,184 unique institutional investors during 2025.[23]

[21] Rescission Proposal, pp. 95–96. The 5,357 figure includes 142 business development companies; the 2,720 figure concerns registered investment companies.
[22] Rescission Proposal, p. 97 and footnotes 285–287.
[23] Rescission Proposal, p. 98 and footnotes 288–291. The public-equity household estimate draws on the Federal Reserve's 2022 Survey of Consumer Finances; the institutional investor count relates to 2025.

- US households: Approximately 76 million households owned publicly traded stock directly or indirectly through pooled investment funds, retirement accounts, and other managed assets.

The Rule also has value for companies that have never yet received a proposal, but who may need to use the process in the future. It also benefits shareholders who rely on proxy materials and the opportunity to cast votes, including those who have never filed proposals themselves. The SEC should consider the implications for the millions of households whose savings and retirement security depend on the US public markets, including their exposure to risks that shareholders can raise through the proposal process.

The SEC should assess whether rescission would reduce overall costs:

The SEC acknowledges that many of the costs and benefits are difficult to quantify precisely. We agree. The Commission should give these effects meaningful weight, quantify them where the evidence allows, and set out a qualitative assessment and substantive conclusions for public comment where reliable estimates are unavailable.

The current analysis gives too much weight to potential issuer savings and too little to the direct and indirect costs for proponents, other investors, and beneficiaries.

Reported issuer compliance costs include substantial spending on outside counsel. The SEC should distinguish the costs of including proposals on the ballot from the costs companies incur when seeking to exclude them. It should then assess how much of that spending the rescission would remove and how much it could reincur as legal advice, litigation, or other costs under different state laws and company bylaws. Any assessment of independent solicitation should also account for its likely higher cost, particularly for smaller institutional and retail proponents.

The SEC should weigh any administrative savings for individual issuers against the recurring costs diversified investors would incur across the US market, the costs both sides would face in resolving disputes, and the company costs which shareholders would bear indirectly. In our view, the clarity, uniformity, and predictability of Rule 14a-8 keep market-wide transaction costs lower than a system that relies more heavily on case-by-case judicial resolution. The Commission should assess whether rescission would reduce overall costs while preserving shareholders' ability to exercise their rights effectively.

Retaining Rule 14a-8 supports capital formation

A consistent federal framework gives long-term, globally diversified asset owners and managers confidence that they can exercise their shareholder rights across their US equity portfolios. That predictability supports effective stewardship and contributes to the attractiveness of US public equity markets. It also gives companies a common framework for communicating with shareholders when they access public markets, regardless of their state of incorporation.

We support the SEC's efforts to encourage IPOs. The SEC acknowledges that its proposals could affect the attractiveness of public markets, the cost of capital, and the incentives for companies and investors to participate. Uncertainty about shareholder rights, delays in resolving disputes, and higher litigation costs could make decisions about whether and when to go public more difficult. Weaker or uneven investor protections could also make global investors less willing to invest in US companies or lead them to require a higher risk premium. Over time, this could contribute to lower valuations and higher costs of capital for US companies relative to global peers.

We encourage the SEC to assess these consequences for capital formation and the wider US economy before proceeding. Retaining Rule 14a-8 would preserve a predictable framework that companies and investors rely on and that supports confidence in US public markets.

5. Reject the proposed amendments to Rule 14a-4(c).

The proposed Rule 14a-4(c) amendments would undermine effective voting. Therefore, we oppose the proposed amendments.[24] They would make it easier for issuers to omit shareholder proposals from their proxy cards while retaining discretionary authority to vote on those proposals. This would be a one-way street for issuers, leaving investors without the ability to effectively exercise their votes.

Withholding an issuer's discretionary voting authority under the proposed Rule 14a-4(c) mechanism is fundamentally different from instructing a vote for or against a shareholder proposal. For institutional investors, exercising voting rights through proxy voting platforms, custodians and other intermediaries, it should be unambiguous whether an instruction represents an actual vote or merely prevents the issuer from exercising discretionary authority. Requiring a separate proponent proxy card to cast an actual vote could add operational steps and increase the risk that an investor's voting intention is not fully reflected.

The SEC intends to remove the incentive that can currently lead issuers to include proposals on their cards when proponents meet the applicable notice, disclosure, and solicitation requirements. We oppose removing that incentive and adopting the amendments.

Our concerns are the following:

- Proponents take considerable care and incur significant expenses to meet those requirements so that investors can review and vote on their proposals.
- The amendments would allow issuers to retain discretionary authority despite proponents meeting those requirements.
- A shareholder's action on checking the box would prevent the issuer from exercising that authority but would not in and of itself cast a vote for or against the proposal.
- Shareholders wishing to vote on the proposal could still need to use the proponent's separate proxy card.[25]

The amendments would therefore favour issuer control of the voting process and make it harder for investors to express their views. This is a distinct concern from removing the Rule 14a-8 no-action framework, but the combined effect would further weaken practical access to shareholder voting, the primary way that investors use their voices as owners of companies.

[24] Rescission Proposal, section II.B, particularly pp. 68–74, on proposed amendments to Rule 14a-4(c).
[25] Sebastian Alsheimer, Helena Grannis, J.T. Ho, Francesca Odell and Lillian Tsu, Cleary Discusses SEC Proposal to Rescind Rule 14a-8 and Amend Rule 14a-4, 16 October 2026.

6. Pursue targeted improvements rather than full rescission or wholesale deferral to state law.

We encourage the SEC to retain Rule 14a-8. If the Commission wishes to make changes to achieve specific policy objectives, we would be open to discussing a targeted review to streamline the process while preserving the Rule's benefits and the investor protections in the 2020 Final Rule. We would consider supporting a review limited to three procedural matters addressed in that Rule: 1) proposal eligibility based on ownership and holding periods; 2) the limit on the number of proposals submitted at a company meeting; and 3) resubmission thresholds.

Investors may be open to discussing filing thresholds, minimum holding periods and resubmission thresholds linked to previous voting outcomes. We are not endorsing specific changes here. However, the SEC has considered amending such requirements previously, demonstrating that targeted reform is available without rescinding the Rule.

The SEC should convene a roundtable with issuers and investors to discuss targeted alternatives to full rescission. Any changes should be proposed separately for public comment, with a clear explanation of the policy objectives they would serve and a full assessment of their costs, benefits and reliance interests.[26]

7. Extend the comment periods for this proposal and the Proxy Solicitation Modernisation Proposed Rule from 60 to 120 days.

We urge the SEC to extend the comment periods for this proposal and the Proxy Solicitation Modernisation Proposed Rule from 60 to 120 days.[27]

Together, the linked releases contain 380 pages and 84 numbered questions. Many questions request data that investors must extract and analyse before responding effectively. The breadth of the proposed changes, affecting thousands of companies, US and global investors and other interested parties, warrants an additional 60 days.

The rescission proposal's comment deadline is 20 November 2026. Dialogue on proposals for the 2027 proxy season is already underway. Extending the comment period would allow more detailed responses but would not by itself provide certainty about implementation. We therefore also request explicit confirmation that the existing framework will remain in place for the 2027 proxy season, and potentially 2028, together with a clear timetable and transition plan for any subsequent changes.

We would respectfully acknowledge that with respect to previous rule-making proposals, Commissioner Uyeda has recommended that the SEC take more time for more complex rulemakings. We agree with this approach. During a speech before the Investment Company Institute's 2025 Investment Management Conference, then Acting Chairman Uyeda suggested:

- Allow at least 90 days for more complex rulemakings.

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[26] From the Council of Institutional Investors' comment letter, CII_14a-8 Comment Letter_Final_11_5_2026.pdf, 5 November 2026.

[27] We note that Commissioner Uyeda has issued previous statements in which he suggested an extension of time would be necessary and on concerns with the "misapplication of existing rules and general failure to appreciate the impact of its words will impose harmful costs on issuers and their shareholders without any corresponding benefits". SEC.gov | Dissenting Statement on Final Rule on Special Purpose Acquisition Companies, Shell Companies, and Projections: The Commission Embraces Merit Regulation, 24 January 2024.

- Avoid over-broad rulemaking proposals that tackle too many topics.
- Provide other means for obtaining feedback to help shape proposals, such as public roundtables, concept releases and investor testing.[28]

The SEC's wider reform programme[29] adds to the demands on investors. It includes pending proposed rule changes on several large and controversial proposals:

- Optional semiannual reporting.
- Enhancement of Emerging Growth Company Accommodations and Simplification of Filer Status for Reporting Companies.
- Registered Offering Reform.
- Rescission of Climate-Related Disclosure Rules.

We consider that each of these proposals would, if adopted as proposed, significantly weaken shareholder rights and investor protections. Their cumulative effect makes sufficient time for investor scrutiny particularly important.

We also support calls for a public roundtable on the proposed rescission. The SEC convened a Roundtable on the Proxy Process on 15 November 2018, before proposing the changes adopted in 2020.[30] A further roundtable would allow issuers, investors, and other stakeholders to test the rationale, examine the evidence, and discuss workable alternatives.

8. **Defer action on these proposals until new Commissioners have been appointed**.

Decisions of this significance should benefit from consideration by a full Commission, particularly where the current composition could allow a single Commissioner to approve the final rules.[31] We are aware that two individuals have been recently nominated by the White House. Action on any pending rules should be stayed until the Senate acts to confirm the nominees. Ideally, investors would prefer to see all five seats of the Commission filled, with appointments to staggered terms of five years to retain continuity and return to regular order.

9. **Revise the proposal to provide a clear implementation timetable and transition plan.**

The SEC has failed to outline a clear implementation timetable and transition plan that takes into account the existing company and investor dialogue which has already commenced for the 2027 proxy season. We urge the SEC to consider the impact on the 2027 and 2028 proxy seasons. If the SEC moves forward, a clear plan must be incorporated into the Final Rule.

If the SEC proceeds with rescission, it should preserve a workable process for investors throughout the transition, including:

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[28] Remarks by Acting Chairman Mark Uyeda, SEC.gov | Remarks to the Investment Company Institute's 2025 Investment Management Conference, 17 March 2025.
[29] SEC proposed releases: Semiannual Reporting, Release No. 33-11414; Enhancement of Emerging Growth Company Accommodations and Simplification of Filer Status for Reporting Companies, Release No. 33-11419; Registered Offering Reform, Release No. 33-11418; and Rescission of Climate-Related Disclosure Rules, Release No. 33-11421.
[30] SEC, Roundtable on the Proxy Process, 15 November 2018.
[31] The SEC now has only two members filling the seats of a 5-member Commission. Quorum requirements have been set that only one Commissioner may suffice for Quorum requirements. Final rule: Commission Quorum Requirement, 30 September 2026.

- Staff should resume substantive Rule 14a-8 no-action responses for the 2027 proxy season and, if necessary, 2028, helping companies, proponents, and courts assess exclusion grounds and avoid costly, unpredictable litigation.
- At a minimum, staff should answer questions and issue guidance on common exclusion issues, including Staff Legal Bulletin 14M and new proposals seeking to preserve access through private ordering.
- Any effective date should allow time for state frameworks, particularly in Delaware and Nevada, to develop and be considered by investors.
- An option, if the SEC chooses to make targeted amendments rather than pursue full rescission, would be to take action no sooner than 1 July 2028, with staff guidance continuing through the spring 2028 proxy season. If the SEC refuses to provide either substantive responses or guidance, any earlier effective date must avoid prolonging uncertainty and should not disrupt the spring proxy season.

Responses to selected questions from the Proposed Rescission:

1. Should Rule 14a-8 be rescinded as proposed? Why or why not? Are there alternative approaches within the scope of the Commission's authority we should consider that would adequately address our policy concerns with respect to Rule 14a-8?

No. Rule 14a-8 supports shareholder rights, private ordering, and dialogue within an established federal framework. Rescission would introduce uncertainty, fragmented requirements, and greater legal costs. We believe the SEC has statutory authority to retain the Rule and should pursue alternatives to rescission. We also urge the SEC to restore substantive staff responses under the established no-action process.

Yes, there are alternative approaches that were part of the Final Rule in 2020. Our letter identifies opportunities to discuss alternatives with the SEC, issuers, and investors that could address administrative concerns.

2. Do companies and proponents have reliance interests in Rule 14a-8 that should be considered? If so, what are those interests and how can we balance the need to address the Commission's authority concerns with the potential effects on affected parties?

Yes. Companies and investors have built governance, engagement, and proposal practices around the Rule for many decades. SEC guidance and case law have helped parties anticipate outcomes and resolve disputes in reliance of the SEC's role. We disagree with the SEC's authority concerns and urge it to assess explicitly whether the claimed benefits of rescission outweigh disruption to these established practices.

Over the years, shareholder proposals have identified emerging governance, strategic, legal, technological, and other issues that investors consider financially relevant before they significantly materialize into investment losses. The voting results have provided boards and the capital markets with a signal of investor urgency on the matters. Shareholder proposals have prompted meaningful dialogue between investors and management teams about those emerging issues, enabling investors to understand firm management of a given risk.

As most proposals are precatory in nature, even a majority supported proposal only acts as a form of dialogue through which investors express a desire that a management team address. Boards and management teams are left with significant flexibility as to how to

respond to even majority- supported shareholder proposals. A uniform channel, through the SEC and Rule 14a-8, therefore, supports informed and constructive issuer-investor dialogue without displacing the board's decision-making authority.

For example, one ICGN member gave an example of engaging with a company that cited the ordinary business exception in its correspondence with the SEC to explain why it had excluded a shareholder proposal. In discussion with the member, the company gave a different reason. The proposal had received approximately 25% support at the previous year's meeting, and the company did not consider that level of support sufficient to put it on the ballot again. SEC staff guidance would have helped clarify whether the ordinary business exception provided a basis for exclusion in these circumstances.

3. To what extent have the original justifications for adopting Rule 14a-8 been or not been substantiated in practice given the evolution of the shareholder proposal process?

We agree with CII, the central justification remains: widely dispersed shareholders need a practical way to make informed voting choices on matters other shareholders properly raise.

As we have mentioned in our earlier comments, proposals have evolved over time. Proposals for majority voting, annual director elections, and proxy access have led to these practices becoming normalised, with companies putting some of these proposals on the ballot after positive engagements. Governance can affect financial value, and we believe that shareholders should be able to file shareholder proposals to support long term valuation and improve governance.

6. To what extent have recent developments, including the potentially lower burdens of independent solicitation campaigns and the emergence of alternative shareholder engagement channels, weakened the original justifications for a Federal shareholder proposal rule? To what extent have costs to proponents associated with conducting an independent solicitation changed since the adoption of Rule 14a-8?

The availability of other channels does not remove the need for access to company proxy materials and federal oversight. Independent solicitations require proponents to organise and fund communications, legal advice, and voting arrangements separately. Other engagement channels do not necessarily provide an equivalent opportunity to put a proposal before all shareholders. We cannot quantify changes in solicitation costs since the Rule's adoption without further evidence.

These developments have made communication easier, but they have not made a separate solicitation an affordable equivalent to Rule 14a-8. We agree with CII, that "Notice-and-access can reduce printing and postage, but it does not eliminate the expense of preparing and distributing separate proxy materials or soliciting votes".[32]

7. As discussed above, Rule 14a-8 has had certain unintended consequences, such as becoming a mechanism for influencing interactions between companies and their shareholders and potentially inhibiting the development of State law and private ordering. Are there alternatives to full rescission within the Commission's authority that would avoid these unintended consequences? If so, how could the Commission retain a federal rule on shareholder proposals without becoming entangled in State law issues?

[32] Council of Institutional Investors' comment letter, CII_14a-8 Comment Letter_Final_11_5_2026.pdf, 5 November 2026.

We do not accept that facilitating company–shareholder dialogue or supporting private ordering constitutes an unintended harm or unintended consequence. The Rule does not influence interactions between companies and shareholders; it provides neutrality. The SEC can retain a federal standard governing access to proxy materials while state law determines the substantive legal effect of shareholder action. We agree with CII that "Clearer guidance and targeted procedural improvements would be preferable to rescission and create more confidence in options such as including private ordering".[33]

A proposal in the company's materials provides a common issue statement and voting opportunity within a process shareholders already use. We agree with CII that "Posting information online or meeting privately with management does not necessarily reach the same holders, and neither produces a vote nor sends the board the same signal".[34]

10. What impact would rescission of Rule 14a-8 together with the proposed amendments to Rule 14a-4 (described in section II.B, below) have on shareholders and shareholder voting rights under State law?

The proposals would weaken shareholders' practical ability to exercise their rights, even where those rights remain available under state law. Removing federal requirements around access to company proxy materials would increase dependence on differing state requirements and separate solicitations.

We believe that rescission removes a predictable, accessible and consistent framework for shareholder participation. Diversified global investors rely on this consistency when developing voting policies, assessing shareholder proposals, and planning engagement across a large number of US holdings. Any move towards more company-specific or state-specific approaches is likely to require greater case-by-case assessment and potentially additional operational input. Any assessment of the costs and benefits of reform should consider investor-side implications alongside costs to companies, including additional research, legal input, voting administration, and engagement resources.

With respect the Amendments to Rule 14a-4, allowing companies to omit proposals from their proxy cards while retaining authority to vote on them would create a further obstacle: shareholders could prevent the company from voting their shares but would need to use a separate proxy card to express their own voting preference. This creates confusion for investors and removes a clear link to their voting preferences.

Using a separate proxy card may also prevent the company from understanding the voting outcomes. By voting on the proponent's proxy card, the proponent would be the recipient to all that voting outcome data, and the company would have only received a partial portion of the votes for shareholders who cast their vote on the management card.

12. Would rescinding Rule 14a-8 have different effects on regulated funds and their shareholders than it would on other companies and shareholders?

Yes. Regulated funds operate within an additional federal framework under the Investment Company Act, including statutory shareholder voting requirements. The SEC should assess those differences separately. We would welcome discussion of retaining a federal proposal

[33] Council of Institutional Investors' comment letter, CII_14a-8 Comment Letter_Final_11_5_2026.pdf, 5 November 2026.
[34] Council of Institutional Investors' comment letter, CII_14a-8 Comment Letter_Final_11_5_2026.pdf, 5 November 2026.

framework grounded in that Act and state law, rather than removing federal access requirements entirely.

14. Should we adopt the proposed amendments to Rule 14a-4(c)? Why or why not?

No. They would make it easier for issuers to omit proposals while retaining discretionary authority to vote on them, despite proponents meeting applicable notice, disclosure, and solicitation requirements. Withholding that authority is not equivalent to voting for or against a proposal.

Under the proposal, the company's own brief description and intended vote would stand in for the proponent's text and supporting statement, and Rule 14a-4(c) would give the proponent no right to comment on, or seek revision of the description. The information shareholders receive would therefore depend on how each company chooses to describe a proposal.

15. Do the proposed amendments, taken as a whole, strike an appropriate balance between, on the one hand, guarding against possible abuse of discretionary voting authority by companies, and, on the other hand, avoiding the present situation where proponents, as a practical matter, are often able to obtain inclusion of their proposals in companies' proxy materials while not fully bearing the costs of solicitation?

No. The actual Rule provides the appropriate balance between investors and companies. The proposed amendments give insufficient weight to shareholders' ability to express their voting preferences. Proponents already bear costs in meeting notice, disclosure, and solicitation requirements. Any assessment of cost allocation should consider the benefits of informed voting and the costs the amendments could shift to shareholders.

Many companies already include shareholder proposals on their proxy ballots, recognising their value in enabling shareholders to make informed voting decisions.

The inclusion of a proposal on the ballot would be a much lower cost to companies than the cost of seeking to exclude it. If they omit the proposal and that results in litigation, that will result in much greater costs for both parties.

16. If the proposed amendments to Rule 14a-4(c) and the proposed rescission of Rule 14a-8 are adopted, are there reasons to expect that a company may continue to voluntarily include, on its own proxy card, shareholder proposals as to which proponents are conducting their own solicitation?

This is unclear and a good reason not to rescind the Rule. Some companies may do so to facilitate shareholder participation, respond to investor expectations, or avoid competing proxy cards. However, voluntary inclusion would depend on individual company decisions and would not provide a consistent substitute for the federal framework for this fundamental shareholder protection. The SEC should not assume that voluntary practices would preserve existing access.

The SEC should not equate a company's decision one year to another to include a shareholder proposal as a reason to step away from administering and enforcing the Rule. The capital markets need certainty, not fragmentation at the company and state level.

18. Should we adopt the check box requirement, as proposed? Why or why not? Should we instead consider an amendment allowing companies to exercise discretionary voting authority while not providing shareholders with the means to elect to prevent the company from exercising such authority with respect to their

individual shares via a check box? Should the requirement that companies provide the check box be tied to a particular solicitation threshold being met by the relevant proponent? Why or why not?

No. The check box proposal should not be adopted. We oppose the underlying expansion of discretionary voting authority. If the SEC nevertheless proceeds, shareholders must at least retain a clear means to prevent its exercise over their shares. That safeguard should not depend on a proponent meeting a solicitation threshold. A check box would remain an incomplete protection because it would not itself record a vote for or against the proposal.

This would complicate an investor's operational voting process. Investors vote on a variety of shareholder proposals and are able to obtain information on the underlying proposal using a centralized method. If adopted and investors are only provided a check box and not much more information on the proposal, it is unclear where they would go to obtain the proposal information at that point. Given the tight concentrated deadlines during proxy season, investors may have to search various websites and sources in order to gather information to make informed voting decisions, which would disrupt the voting process and expend a large amount of resource.

21. Could the proposed check box be confusing to shareholders? What challenges may occur in implementing the proposed check box requirement (including shareholders' use of the check box)? How could such challenges be mitigated?

Yes. Shareholders could mistake withholding discretionary authority for voting against the proposal or abstaining. Separate issuer and proponent cards could also complicate voting instructions and tabulation. If adopted, the mechanism would require clear explanations, proposal-specific identification, and consistent processing of instructions. These measures would not resolve our objection to the underlying amendments.

22. A shareholder that submits a proposal outside of Rule 14a-8 to a company may not be aware of proposals submitted by other proponents. Under the current rules, a soliciting shareholder may exercise discretionary authority to vote the shares represented by proxies it receives on matters that it does not know, a "reasonable time" before its solicitation, are to be presented at the meeting, so long as a specific statement to that effect is made in the shareholder's proxy statement or form of proxy.[231] Given the uncertainty associated with "a reasonable time," and the potential for this provision (Rule 14a-4(c)(3)) to be used more frequently in light of the proposed rescission of Rule 14a-8, should we amend Rule 14a-4(c)(3) to replace "a reasonable time" with a definite length of time, such as three or five business days before the date on which the shareholder proponent's proxy statement and form of proxy are first sent or given to shareholders? Why or why not? As this rule covers both companies in non annual meeting situations and shareholders in all situations, would there be reasons to distinguish between companies and shareholders when it comes to establishing the appropriate timing requirement? See 17 CFR 240.14a-4(c)(3).

We support clearer timing requirements where they improve certainty without reducing informed voting. However, the SEC has not established that three or five business days would provide sufficient time to identify other proposals, obtain advice and prepare accurate materials. Any fixed period should be tested against operational evidence. Different requirements for companies and proponents should be adopted only where justified by their respective circumstances and access to information.

23. Should companies be required to notify proponents when other proponents submit proposals outside of Rule 14a-8? If so, what deadlines and method of notification would be appropriate?

Timely notification would help proponents prepare accurate materials and reduce uncertainty. We suggest prompt electronic notification to the contact supplied by each proponent, with updates when relevant information changes. A specific deadline should be established following consultation on operational feasibility and the time needed to prepare materials.

25. Should we amend 17 CFR 240.14a-101 ("Schedule 14A") to require companies to provide a brief description of shareholder proposals not included on the company's proxy card and for which the company does not seek discretionary voting authority? Why or why not?

Whether the proposed Rule is adopted or modified, investors should receive a clear, accurate description of proposals. If they are omitted from the card, it could be confusing for investors. The disclosure should explain that omission and how shareholders can obtain the proponent's materials and exercise their vote. This would supplement, rather than replace, access to the company's proxy materials. The company should provide proxy cards that provide shareholders with the ability to vote on all items coming up at the annual meeting.

26. Should we adopt the additional proposed amendments discussed above? Why or why not? (Rule 14a-4(c))

We oppose amendments that implement or depend on the rescission of Rule 14a-8 or the expansion of issuer discretionary authority. Technical or conforming changes should not be used to remove substantive protections. Any amendments capable of operating independently should be justified and assessed on their own merits.

33. Have we correctly characterized the baseline of shareholder proposals and independent solicitations? Have we correctly characterized the affected entities? Are there other important elements of the baseline? Please provide supportive data to the extent available.

We agree with CII that the "baseline is incomplete unless it separates the effects of reduced staff assistance from the additional effects of rescinding Rule 14a-8. As the Release explains, the November 2025 change generally suspended substantive no-action review except under Rule Page 29 of 43 November 5, 2026, 14a-8(i)(1); the August 2026 statement discontinued responses altogether. Those changes did not repeal Rule 14a-8 or its notice requirements".[35]

CII also noted that the "Release identifies 786 submissions in 2025: 64% voted on, 22% omitted and 14% withdrawn. Among voted proposals, average support was 24% of votes cast, median support was 14% and 11% received majority support. For 2022–2025, 716 unique companies received proposals; among recipient companies, the median was one proposal per company and meeting".[36]

[35] Council of Institutional Investors Comment Letter, CII_14a-8 Comment Letter_Final_11_5_2026.pdf, 5 November 2026.
[36] Council of Institutional Investors Comment Letter, CII_14a-8 Comment Letter_Final_11_5_2026.pdf, 5 November 2026.

34. Have we correctly characterized the benefits and costs of the proposed amendments to affected parties? Are there other effects that should be considered? Please provide supportive data to the extent available.

No, not adequately enough to meet the thresholds under the Administrative Procedures Act. The SEC should assess litigation, specialist legal advice, independent solicitation, fragmented requirements, voting administration, and transition costs for both companies and investors. It should distinguish genuine cost reductions from transfers of costs to proponents or other shareholders. Effects on engagement, shareholder participation, and beneficiaries also require fuller consideration.

As we have discussed at length in our earlier comments in this letter, we believe that it will transfer costs to investors in many ways, including through additional costs of stewardship, for example, increased engagement and requiring substantial efforts to track different state regimes and portfolio-company governing documents, in addition to increased uncertainty and potential litigation costs.

The baseline is incomplete unless it separates the effects of reduced staff assistance from the additional effects of rescinding Rule 14a-8. As the Release explains, the November 2025 change generally suspended substantive no-action review except under Rule 14a-8(i); the August 2026 statement discontinued responses altogether. Those changes did not repeal Rule 14a-8 or its notice requirements.

35. Have we correctly characterized the effects on efficiency, competition, and capital formation from the proposed amendments? Are there any other effects that should be considered? Please provide supportive data to the extent available.

No. The economic analysis understates or fails to disclose the risks for investors from uncertainty, fragmentation, and weaker shareholder protections. These risks could divert resources into expensive legal disputes, disadvantage investors with fewer resources, and affect investor confidence, required returns, and harm the attractiveness of US public markets. The SEC should assess these effects alongside potential issuer savings, which we consider will then become costs ultimately borne by investors. We believe the economic analysis understates costs to investors and effects on shareholder participation.

36. To what extent would proponents who would have submitted proposals under Rule 14a-8 switch to alternative forms of engagement if the rule were rescinded? Which alternative methods would likely be used, and how would their effectiveness in achieving the proponent's goals compare to submitting proposals under Rule 14a-8? Are certain types of proponents more likely to adopt specific alternative engagement methods?

If the Rule is rescinded, investors may take a variety of approaches, in line with their investment processes and approaches to stewardship. Some may increase direct engagement, participate in public campaigns, exercise voting against directors and committee members, and other lawful shareholder actions.

Direct engagement, votes against directors, independent proxy solicitations, books-and-records requests and litigation can all form part of a stewardship escalation strategy. Each serves a different function, and alternative routes for escalating a concern generally involve different and sometimes greater cost and operational complexity for issuers and investors. Removing an established mechanism for submitting a specific issue to a shareholder vote could redirect escalation towards director elections and leave the underlying governance concern unresolved.

Votes against directors are a less targeted mechanism than shareholder proposals and can be more difficult for companies to interpret. An adverse vote may reflect broader dissatisfaction with the board or members of a key committee, or escalation on any of several distinct issues. A shareholder proposal identifies a specific matter for consideration by the board and shareholders. A campaign urging shareholders to vote against one or more directors is generally a last resort in an engagement strategy. It can carry more significant consequences than a precatory shareholder proposal and, once launched, may leave less scope for dialogue before the dispute escalates further.

As the SEC acknowledges, independent solicitations and take over campaign are more costly and far more adversarial for companies and shareholders than a shareholder proposal. The end result can leave lasting harm to relationships and impact long-term results for investors.

Shareholder proposals can also help investors identify material risks that may warrant closer board oversight and assess whether to hold individual directors accountable. Without the information these proposals bring to light, investors may need to devote additional internal research resources to identifying those risks.

Other possible responses include supporting dissident proxy solicitations, casting votes of no confidence, supporting bylaw amendments to reinstate eligibility thresholds equivalent to those under Rule 14a-8, and participating in shareholder forums. These mechanisms may support particular stewardship objectives, but none offers a functionally equivalent substitute for the Rule 14a-8 process.

37. What are the costs of the alternative engagement mechanisms that proponents may use if Rule 14a-8 is rescinded, compared to the cost of the current Rule 14a-8 process? Please provide estimates to the extent possible.

Other costs would depend on the route taken by investors and the receptivity by companies. State law or company access could require legal advice and enforcement as mentioned by CII.[37] An investor might instead forgo filing a shareholder proposal. While such inaction can reduce expenses, it reduces the ability for effective engagement. There would not be comparable cost data for these alternatives.

39. What effect would the proposed amendments to Rule 14a-4(c) have on the likelihood of potential proponents conducting independent solicitations? What alternative engagement methods might they use instead, and how effective would these alternatives be?

As discussed above, the alternative stewardship mechanisms available to investors are not functionally equivalent to Rule 14a-8 as they all serve different purposes. Direct engagement, votes against directors, independent solicitations, books-and-records requests and litigation can all form part of an escalation strategy, but they each serve a different purpose and generally involve greater cost or operational complexity.

Removing an established route for putting an issue directly to shareholders could also redirect escalation towards director elections rather than resolving the underlying governance concern.

[37] Council of Institutional Investors Comment Letter, CII_14a-8 Comment Letter_Final_11_5_2026.pdf, 5 November 2026.

40. Would the proposed amendments to Rule 14a-4(c) influence companies' decisions regarding whether to include or exclude proposals that are the subject of independent solicitations in their proxy materials?

Yes. Removing the existing incentive to include independently solicited proposals would make omission more attractive, because issuers could retain discretionary authority without adding the proposals to their cards. This could reduce shareholders' ability to vote on all relevant matters through the issuer's card.

43. To what extent would shareholders' ability to express their views on proposals introduced through independent proxy solicitations be affected by the proposed amendments to Rule 14a-4(c)?

It would become more difficult for investors. A shareholder using the issuer's card could withhold discretionary authority but could not use the check box to vote for or against an omitted proposal. The need to obtain and use a separate proponent card could create additional practical barriers to expressing a voting preference. The proposed rule would plainly limit the ability of shareholders to receive information that they currently receive either through an independent solicitation or through a company including independent items in its proxy materials.

45. To what extent would the proposed amendments result in management being less aware of shareholder views and concerns? Would this impact cost of capital and capital formation?

We believe that the proposed amendments will result in management and board members being less aware of shareholder concerns. The filing of shareholder proposals and voting results provide useful signals of shareholder concerns to be considered by the board and management. Proposals and voting results provide structured signals of shareholder concerns, including where support falls below a majority. Reducing access could weaken those signals and the dialogue they encourage. Less effective communication and accountability could affect investor confidence and required returns, although the magnitude of any cost-of-capital effect requires further evidence. Investor support at a level of 20-30% can serve as an important indicator to management and board as compared to a proposal that receives ~1% support.

Investors may be the first to notice an issue and bring it up during engagement calls. Shareholder proposals provide both a means of raising those issues if management refuses to address the concerns, leading to voting indications of the level of concern across the shareholder base. Reducing access to that mechanism could therefore remove a useful source of information for management and other investors undertaking voting analysis. This could lead to companies being less aware of shareholder concerns and voting patterns. thereby reducing investors' abilities to manage downside risks, which could ultimately impact the stock price.

The proposed amendments risk creating uncertainty for companies and shareholders, and undermining constructive dialogue that can resolve concerns before proposals are filed. Even without majority support, proposals can signal shareholder concerns about board nominees, governance practices, and excessive short-term risk-taking at the expense of long-term performance.

48. Are there any other reasonable alternatives to the proposed rescission of the entirety of Rule 14a-8 that we should consider?

Yes. We have given a few suggestions in the main body of our letter above, starting with the three points from the 2020 Final Rule. The SEC could retain the federal framework and explore clearer guidance, more consistent administration and targeted procedural improvements. Investors may be open to discussing eligibility thresholds, holding periods, and resubmission thresholds without endorsing particular changes at this stage. The regulated-fund alternative also merits discussion. A public roundtable of investors and issuers would help assess these options.

The D.C. Circuit has required the SEC to consider alternatives that are neither frivolous nor outside the scope of the rulemaking.[38] The Commission should explain why focused changes to existing criteria would not address its stated concerns before eliminating the entire rule.

We also have noted that the number of shareholder proposals being filed has decreased, which should alleviate concerns with resource constraints at the SEC.

49. Are there any other reasonable alternatives to the proposed amendments to Rule 14a- 4(c) that we should consider?

Yes, however, the full nature of alternatives has not been fully addressed in this proposal. Retaining the existing restrictions on discretionary authority is preferable. If the SEC nevertheless considers changes, it should examine safeguards requiring an affirmative shareholder instruction before an issuer may exercise authority over an omitted proposal, rather than relying on shareholders to opt out. Any alternative should preserve clear, proposal-specific voting choices.

Congressional Review Act- whether this is considered a "major rule" for purposes of the CRA?

Yes. The SEC must seek an Office of Management and Budget determination on whether a final regulation constitutes a "major rule" under the Congressional Review Act. The proposal identifies the relevant criteria as:

- An annual effect on the economy of $100 million or more.
- A major increase in costs or prices for consumers or individual industries.
- Significant adverse effects on competition, investment, or innovation.[39]

We believe this meets the definition of a "major rule."

We consider the breadth of the large number of companies, investors and households identified in the proposal, the potential increase in issuer and investor costs, and the risks to investment and capital formation sufficient to warrant a major rule determination. The SEC should provide a robust evidential assessment to inform that determination, including the potential effects on global investment in US companies.

C. Small Entities Subject to the Proposed Amendments- would investors have a view on this provision?

Yes, for purposes of the Regulatory Flexibility Act (RFA), we believe small entities are subject to the proposed amendments. Small entities require particular consideration.

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[38] Chamber of Commerce v. SEC, 412 F.3d 133, 145 (D.C. Cir. 2005) (requiring consideration of a proposed alternative that was "neither frivolous nor out of bounds").
[39] Rescission Proposal, pp. 207–208, section VI, "Congressional Review Act", citing 5 USC. § 804(2).

The Regulatory Flexibility Act (FRA) requires an assessment of effects on small entities. For relevant issuers and persons other than investment companies, the SEC's definition includes entities with total assets of $5 million or less at the end of their most recent fiscal year. The SEC estimates that approximately 506 issuers subject to the federal proxy rules, excluding investment companies, may qualify as small entities.[40]

More than 80 years of history demonstrates that small companies rarely, if ever, receive shareholder proposals. There is, therefore, likely to be no cost savings for them in this proposal. However, investors will lose the opportunity to present proposals - when needed - at such companies unless state law or company documents allow them.

The analysis does not adequately assess the consequences for small entities or for investors in these businesses. Rescission will increase uncertainty and expenses for both small issuers and their shareholders. Small companies may need frequent engagement with their investors, particularly when seeking additional capital, or understanding why a shareholder would be interested in filing a proposal. This will lead to fragmentation concerns for small entities and their investors.

Their resources should support productive capital allocation rather than additional court proceedings and specialist legal advice.

We urge the SEC to retain Rule 14a-8, reject the proposed Rule 14a-4(c) amendments and work with market participants on targeted improvements that preserve shareholder rights, reduce unnecessary costs and support confidence in US capital markets.

Thank you again for the opportunity to share our perspective on the proposed rescission of Rule 14a-8 and the amendments to Rule 14a-4(c). If you would like to follow up with questions or comments, please contact me or our Senior Advisor- Americas, Carol Nolan Drake (carol.nolandrake@icgn.org).

Yours faithfully,



Jen Sisson

Chief Executive Officer, ICGN

[40] Rescission Proposal, pp. 208–210, particularly the small-entity definition on pp. 209–210 and the estimate of 506 issuers on p. 210.