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November 20, 2026

Vanessa A. Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

RE: Rescission of Rule 14a-8's Federal Regulation of Shareholder Proposals and Amendments to Rule 14a-4, File No. S7-2026-32; Proxy Solicitation Modernization, File No. S7-2026-33

Dear Ms. Countryman,

This letter is submitted on behalf of Business Roundtable, an association of more than 250 chief executive officers ("CEOs") of America's leading companies, representing every sector of the U.S. economy. Business Roundtable CEOs lead U.S.-based companies that support one in four American jobs and almost a quarter of U.S. GDP. Through CEO-led policy committees, Business Roundtable members develop and advocate directly for policies to promote a thriving U.S. economy and expanded opportunity for all Americans.

We appreciate the opportunity to respond to the two proxy proposals issued by the U.S. Securities and Exchange Commission (the "Commission" or "SEC") on September 16, 2026: Rescission of Rule 14a-8's Federal Regulation of Shareholder Proposals and Amendments to Rule 14a-4 (the "Rule 14a-8 Rescission Proposal") and Proxy Solicitation Modernization (the "Proxy Solicitation Modernization Proposal" and, together, the "Proposals").[1]

Introduction

Business Roundtable appreciates the Commission's efforts to modernize the federal proxy rules, reduce unnecessary burdens on public companies and respect the division between federal proxy regulation and state corporate law. We support the Rule 14a-8 Rescission Proposal and the Commission's reassessment of the federal government's role in the shareholder proposal process. We also support the Proxy Solicitation Modernization Proposal, which would update requirements that no longer reflect current technology or market practices while preserving investor protections and access to material information.

[1] Rescission of Rule 14a-8's Federal Regulation of Shareholder Proposals and Amendments to Rule 14a-4, Exchange Act Release No. 34-106383, File No. S7-2026-32 (Sept. 16, 2026); Proxy Solicitation Modernization, Release Nos. 33-11439; 34-106385; 39-2566, File No. S7-2026-33 (Sept. 16, 2026).

Rule 14a-8 has extended federal regulation into corporate governance matters more appropriately addressed by state law and, where permitted, company governing documents. Administering the rule has required the Commission and its staff to make substantive judgments that extend beyond the appropriate role of the SEC. The rule also imposes substantial costs on public companies and their shareholders without ensuring benefits commensurate with those costs. Companies must include eligible proposals in their proxy materials at their own expense, even when proponents have limited economic interests in the company. As Business Roundtable has previously explained, the process is too often used to advance broad policy, political and social objectives with little connection to company-specific value creation or long-term shareholder interests.[2]

Rescission alone, however, would not eliminate the pressure companies may face to include independently solicited shareholder proposals in their proxy materials. We welcome the Commission's recognition of that problem. We are concerned, however, that its proposed amendments to Rule 14a-4(c)—particularly the shareholder opt-out check box—could increase, rather than reduce, pressure to include such proposals, especially in zero-slate campaigns.[3] That outcome would undermine the Commission's broader reform.

The proposed opt-out check box would not necessarily give companies more dependable authority to vote the proxies they receive. Institutional investors could opt out as a matter of policy or in response to proxy advisory firm recommendations. The mechanism could also confuse shareholders who receive competing proxy cards. Most importantly, it would leave intact the advantage a zero-slate proponent gains by placing the company's director nominees and the proponent's own proposals on a single proxy card.

We recommend eliminating the proposed opt-out check box and permitting companies to exercise discretionary voting authority under Rule 14a-4(c)(2) unless the proponent solicits holders representing at least 67 percent of the voting power of shares entitled to vote on the proposal. This uniform threshold should apply to zero-slate and other independent solicitations. It would draw on the minimum solicitation threshold the Commission established for dissidents in contested director elections under Rule 14a-19(a)(3). We also recommend a targeted amendment to Rule 14a-4(d)(1) addressing zero-slate solicitations directly.

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[2] *See* Business Roundtable, The Need for Bold Proxy Process Reforms (Apr. 2025), available at https://www.businessroundtable.org/the-need-for-bold-proxy-process-reforms.

[3] *See* Rule 14a-8 Rescission Proposal, Section II.B.3 (discussing the pressure companies may face to include independently solicited shareholder proposals in their proxy materials and the proposed amendments to Rule 14a-4(c)); 17 C.F.R. § 240.14a-4(c)(2).

We also recommend amending Rule 14a-6 to ensure that shareholder proposals, independent solicitations concerning them, and vote-against or withhold campaigns do not, by themselves, trigger preliminary proxy filings for otherwise routine annual meetings.

Together, these reforms would return substantive shareholder proposal questions to state corporate law while ensuring that the federal proxy rules facilitate voting without creating pressure for companies to subsidize proponents' solicitations.

The Rule 14a-8 Rescission Proposal

Rule 14a-8 Exceeds the Commission's Statutory Authority

Business Roundtable agrees with the Commission's position that Section 14(a) of the Securities Exchange Act of 1934 does not authorize the comprehensive federal shareholder proposal regime established by Rule 14a-8.[4] Section 14(a) makes it unlawful to solicit a proxy "in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors."[5] In our view, this authority allows the Commission to regulate the manner of solicitation and the information provided to investors; it does not authorize the Commission to displace state law in determining the substantive matters shareholders may present for a vote. Except where Congress has expressly provided otherwise, those questions should be resolved under state corporate law and, where state law permits, company governing documents.[6]

The modern shareholder proposal regime developed through decades of agency rulemaking, staff interpretation and no-action letter practice. Over time, the Commission and its staff established federal standards for determining which proposals companies must include in their proxy materials, including standards with no counterpart in state law. In doing so, the Commission became involved in substantive corporate governance questions and imposed significant obligations on public companies without a sufficient statutory basis. Business Roundtable therefore supports rescinding Rule 14a-8.[7]

State Corporate Law Is the Appropriate Framework for Shareholder Proposal Rights

Core corporate governance matters, including shareholder voting rights and the conduct of shareholder meetings, have traditionally been governed by state law. State courts have substantial expertise in resolving disputes over corporate governance and shareholder rights.

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[4] *See* Rule 14a-8 Rescission Proposal, Section II.A.1.a (Scope of Section 14(a) Authority).
[5] 15 U.S.C. § 78n(a)(1).
[6] *See* Rule 14a-8 Rescission Proposal, Section II.A.1 and n.28 (noting express congressional requirements, including advisory shareholder votes under 15 U.S.C. § 78n-1).
[7] *See* Rule 14a-8 Rescission Proposal, Sections II.A.1.b–d.

State law also provides a framework within which companies and shareholders can adopt governance arrangements suited to their circumstances.[8]

Rule 14a-8 overlays this state-law framework with a federal proposal-inclusion process that has constrained the development of state-law approaches and private ordering. Rescission would give states and, where authorized by state law, companies greater flexibility to establish shareholder proposal standards that better reflect their respective legal frameworks and circumstances.[9]

The proposing release explains that, following rescission, shareholder proposal rights and obligations would be governed by applicable state law and company governing documents, while federal regulation of proxy solicitations would remain in place. The practical effectiveness of that division of responsibility will depend, in part, on whether the federal proxy rules inadvertently contribute to pressure on companies to include proposals in their proxy materials even when neither applicable state law nor their governing documents require inclusion. Effectively addressing the zero-slate concerns discussed below is therefore particularly important.

Rule 14a-8 Is Unsound Policy

Apart from the statutory concerns outlined above, strong policy reasons also support rescission. Rule 14a-8 imposes substantial costs, allows a small group of proponents to advance policy interests through access to company proxy materials at other shareholders' expense, and draws the Commission into decisions more appropriately addressed under state corporate law.

Compliance with Rule 14a-8 Diverts Resources Away from Value Creation

Companies devote significant resources to evaluating proposals, including their feasibility and potential risks, costs and effects on the company and its shareholders; assessing potential grounds for exclusion; preparing deficiency notices, exclusion notices and related correspondence; briefing boards and management; drafting the board's statements in response; and engaging with proponents, investors and proxy advisory firms. In connection with its 2020 amendments, the Commission used a range of $20,000 to $150,000 in estimated direct costs per proposal. Business Roundtable's 2025 white paper reported that nearly 20

[8] *See* Rule 14a-8 Rescission Proposal, Section I and nn.4–8; Section II.A.2.c.
[9] *See* Rule 14a-8 Rescission Proposal, Sections II.A.2.b.ii–iii and II.A.2.c.

percent of responding companies incurred more than $500,000 in external costs in managing and responding to shareholder proposals during a typical proxy season.[10]

These direct expenses do not capture the time that boards and management divert from strategic and operational priorities. Both those expenses and the resulting opportunity costs ultimately fall on shareholders. Separately, shareholders, including institutional investors, must devote their own resources to reviewing proposals, assessing their implications and deciding how to vote. These burdens arise regardless of whether a proposal ultimately attracts majority support. The longstanding existence of the federal process does not, by itself, justify perpetuating them.

The imbalance between the costs borne by all shareholders and the proponent's required economic stake is particularly relevant. Under Rule 14a-8(b), a shareholder may qualify to submit a proposal by continuously holding at least $2,000 in company securities for three years, $15,000 for two years, or $25,000 for one year. Although these thresholds account for both ownership and holding period, they do not require a stake proportionate to the potential costs of the company's response. Rescission would not eliminate shareholder proposals; rather, it would permit states and, where authorized, companies to develop standards that better balance proposal rights against the costs borne by other shareholders.[11]

The Process Is Too Often Used to Advance Broad Policy Objectives

Many proposals seek to advance broad public-policy objectives with limited connection to a company's particular circumstances or its ability to create long-term shareholder value. The submission of substantially similar proposals across multiple companies and industries illustrates how the process can—and often does—serve as a platform for policy advocacy.[12]

The Commission's data illustrate both the concentration of proposal activity and the limited voting support many proposals receive. For meetings held in 2025, only 56 of 786 proposals submitted under Rule 14a-8 received majority support—approximately seven percent of all submissions.[13] Ten proponents accounted for 455 of those 786 submissions, or approximately

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[10] *See* Procedural Requirements and Resubmission Thresholds Under Exchange Act Rule 14a-8, Exchange Act Release No. 34-89964 (Sept. 23, 2020), 85 Fed. Reg. 70,240, 70,245 n.63 (Nov. 4, 2020); Business Roundtable, The Need for Bold Proxy Process Reforms (Apr. 2025), available at https://www.businessroundtable.org/the-need-for-bold-proxy-process-reforms.

[11] *See* 17 C.F.R. § 240.14a-8(b)(1)(i); Procedural Requirements and Resubmission Thresholds Under Exchange Act Rule 14a-8, Exchange Act Release No. 34-89964, 85 Fed. Reg. 70,240, 70,241–42 (Nov. 4, 2020) (establishing alternative ownership-and-holding-period thresholds).

[12] *See* Business Roundtable, The Need for Bold Proxy Process Reforms (Apr. 2025); Rule 14a-8 Rescission Proposal, Section II.A.2.b.i.

[13] *See* Rule 14a-8 Rescission Proposal, Section II.A.2.b.i and n.147. The seven-percent figure uses all submitted proposals as its denominator.

58 percent.[14] Many proposals are also withdrawn before a vote, sometimes following engagement with or commitments from the company.[15]

Although voting outcomes alone do not establish whether proposals are financially material, the low rate of majority support raises questions about the extent to which the federal inclusion process serves broadly shared shareholder priorities. Nor does limited support make proposals inexpensive or inconsequential. Companies must evaluate proposals and often engage with institutional investors regardless of the eventual outcome, and some proposals attract public attention even when they receive limited voting support. Proxy advisory firm policies may also encourage board engagement short of a majority vote: Glass Lewis's 2026 U.S. benchmark guidelines, for example, generally call for outreach and disclosure when a shareholder proposal receives at least 30 percent support.[16] Nor is the 2025 experience necessarily representative of every proxy season. The Commission's analysis of meetings from 2022 through 2025 found that approximately 10 percent of submitted proposals received majority support, compared with seven percent in 2025.[17] These considerations reinforce the case for a framework that weighs the economic interests of proponents and the potential value of proposals against the costs imposed on other shareholders.

Retaining a Modified Version of Rule 14a-8 Would Not Resolve the Underlying Concerns

Modifying Rule 14a-8 would not resolve these underlying concerns. So long as a federal inclusion regime remains, the Commission and its staff will continue to be asked to resolve substantive proposal questions more appropriately governed by state law. Rescission, rather than further adjustments to eligibility, resubmission, or substantive exclusion standards, would more fully return these questions to the states and permit private ordering where authorized.[18]

<u>The Proposed Amendments to Rule 14a-4(c) Do Not Adequately Address Non-Contested and Zero-Slate Solicitations</u>

We support the Commission's effort to reduce pressure on companies to include shareholder proposals submitted outside Rule 14a-8 on their proxy cards when the federal proxy rules do not require inclusion. The proposed amendments would expand the circumstances in which companies may exercise discretionary voting authority but pair that authority with a shareholder opt-out check box. We are concerned that the check box would create practical

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[14] *See* Rule 14a-8 Rescission Proposal, Section II.A.2.a and n.117; Section II.A.2.b.i and nn.147–149; Section IV.B.3.a.
[15] *See* Rule 14a-8 Rescission Proposal, Section II.A.2.b.i and nn.141–144.
[16] *See* Glass Lewis, 2026 Benchmark Policy Guidelines—United States, at 17 (Board Responsiveness to Shareholder Proposals), available at https://grow.glasslewis.com/hubfs/2026%20Guidelines/Benchmark/Benchmark%20Policy%20Guidelines%202026%20-%20United%20States.pdf.
[17] *See* Rule 14a-8 Rescission Proposal, Section IV.B.3.a (2022–2025 shareholder support data).
[18] *See* Rule 14a-8 Rescission Proposal, Section II.A.2.c.

difficulties without removing companies' incentives to include independently solicited proposals. In some cases, it could make discretionary voting authority less dependable than under the current rule.

Under current Rule 14a-4(c)(2), a company that receives timely notice of a proposal submitted outside Rule 14a-8 may exercise discretionary voting authority if the proponent does not satisfy specified solicitation requirements, including soliciting holders representing the percentage of voting shares needed to approve the proposal. The proposed amendments would remove that solicitation-based limitation and permit discretionary authority in more circumstances. At the same time, however, a company seeking that authority would have to include an opt-out check box on its proxy card. A shareholder who checks the box would prevent the company from exercising discretionary authority over that shareholder's shares, even in some circumstances where the company could exercise such authority under the current rule. If institutional investors routinely opted out, whether pursuant to their own policies or in response to proxy advisory firm recommendations, the authority companies obtain in practice could become less dependable.[19]

The concerns surrounding an opt-out check box are not new. In 1997, the Commission proposed a similar mechanism under which companies seeking discretionary voting authority over timely proposals submitted outside Rule 14a-8 would have been required to include a box allowing shareholders to withhold that authority. In its 1998 adopting release, the Commission acknowledged that such a box could confuse shareholders who also received an independent solicitation from the proponent.

The Commission ultimately declined to adopt the check box, recognizing concerns raised by Business Roundtable and others that it could encourage a parallel proposal process outside Rule 14a-8.[20] Those concerns remain relevant today. Electronic voting and clearer instructions may reduce confusion, but they do not eliminate the risk that shareholders will return both the company's and a proponent's proxy cards without understanding that a later-dated proxy may supersede an earlier one.[21] As discussed below, multiple cards presenting different combinations of matters could compound that confusion. Moreover, checking a box to withhold discretionary authority does not cast an affirmative vote on the omitted proposal. Uncertainty about how many shares remain subject to discretionary authority, together with potential confusion over the check box and competing cards, may therefore compel companies

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[19] *See* Rule 14a-8 Rescission Proposal, Section II.B.1 (current solicitation threshold) and Section II.B.3, including nn.214–216 and the discussion of the proposed opt-out mechanism (effect of an election to withhold discretionary authority).

[20] *See* Business Roundtable, Letter re File No. S7-25-97, at 7–8 (Dec. 9, 1997), available at https://www.sec.gov/files/rules/proposed/s72597/shipley1.txt; Amendments to Rules on Shareholder Proposals, Exchange Act Release No. 34-40018, Section IV.B.2 & n.64 (May 21, 1998), available at https://www.sec.gov/rules-regulations/1998/05/amendments-rules-shareholder-proposals.

[21] *See* Rule 14a-8 Rescission Proposal, Section II.B.3.

to include proposals in their proxy materials even when inclusion is not otherwise legally required.

Practical Consequences of Zero-Slate Solicitations

These concerns are particularly acute in zero-slate solicitations. Following the 2021 amendment to Rule 14a-4(d)(1), adopted in connection with the universal proxy rules, a proponent may include the company's director nominees on its own proxy card without nominating competing directors. The proponent can therefore present a single card covering the company's nominees and the proponent's proposals, even when those proposals are absent from the company's card. This asymmetry pressures the company to include the proposals on its own card, particularly if the proposed check box makes discretionary voting authority less reliable.[22]

Multiple independent solicitations at the same meeting could compound the confusion. Shareholders might receive several proxy cards listing the same company director nominees but different shareholder proposals, while only the company's card includes say-on-pay and other company matters. No single card would necessarily cover every item that could be voted upon, leaving shareholders uncertain as to which card to use or whether they have voted on every matter. Because a later-dated proxy card generally supersedes an earlier one, returning multiple cards may not preserve a shareholder's voting instructions across all matters. An opt-out check box would not solve this problem; shareholders could mistakenly believe they had expressed their preferences on every item when they had not.

Companies also need a practical means of responding to independently solicited proposals. A board may conclude that shareholders should receive an explanation of its opposition and that the company should actively solicit votes against a proposal. If discretionary authority is unavailable or unreliable, including the proposal on the company's card, accompanied by the board's response in the proxy statement, will often be the most effective way to obtain those votes. Accordingly, in response to Request for Comment 16, we believe companies will likely continue to include independently solicited proposals on their proxy cards even if the proposed Rule 14a-4 amendments are adopted.[23]

The stakes would increase if Rule 14a-8 were rescinded. Independently solicited proposals are not subject to Rule 14a-8's one-proposal-per-person, ownership, holding-period, or 500-word limitations. Nor are they subject to its substantive exclusions for matters such as ordinary

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[22] *See* Rule 14a-8 Rescission Proposal, Section II.B.3 and nn.221–224; Section IV.C.2.h; Universal Proxy, Exchange Act Release No. 34-93596 (Nov. 17, 2021) ("Universal Proxy Release"). The relevant change was to the bona fide nominee rule, Rule 14a-4(d)(1); a zero-slate solicitation does not involve competing director nominations.
[23] *See* Rule 14a-8 Rescission Proposal, Section II.B.3, Request for Comment 16; see also Section IV.F, Requests for Comment 40–41.

business, substantial implementation, duplication, and resubmission. Unless state law or valid company governing documents establish limits, a proponent could advance multiple proposals at a single meeting, increasing pressure on companies to include them without the safeguards currently provided by Rule 14a-8.[24]

The 2024 Warrior Met Coal campaign illustrates this dynamic. The United Mine Workers of America and the AFL-CIO independently solicited votes on five nonbinding shareholder proposals and included the company's director nominees on their proxy card without proposing a competing slate. Warrior Met Coal included all five proposals on its own card, supporting one and opposing four. The Commission cites this campaign as an example of the pressure created by zero-slate solicitations. Although the proposed Rule 14a-4 amendments might expand a company's authority to vote some proxies, the opt-out mechanism would neither prevent proponents from combining director elections and their own proposals on a single card nor remove the resulting pressure on companies to include those proposals.[25]

The Division of Corporation Finance has already discontinued responses to all Rule 14a-8 no-action requests; rescission would also remove the underlying federal exclusion standards.[26] These developments make it particularly important to address federal proxy mechanics that may pressure companies to include proposals while leaving substantive shareholder proposal rights to state law.

Recommended Amendments to Address Zero-Slate Solicitations

Within the current rulemaking, the Commission should eliminate the proposed opt-out check box and replace Rule 14a-4(c)(2)'s existing solicitation threshold with a uniform 67 percent threshold. A company could then exercise discretionary voting authority on an omitted proposal unless the proponent solicits holders representing at least 67 percent of the voting power of shares entitled to vote on the proposal. The same standard should apply to zero-slate and other independent solicitations.

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[24] *See* 17 C.F.R. § 240.14a-8(b)–(d), (i)(7), (i)(10)–(12); Rule 14a-8 Rescission Proposal, Sections II.A.1.c and II.B.1 (including n.194).

[25] *See* Rule 14a-8 Rescission Proposal, Section II.B.3, n.223; American Federation of Labor and Congress of Industrial Organizations and United Mine Workers of America, Definitive Proxy Statement, Schedule 14A (Mar. 22, 2024), at 1 and accompanying proxy card, available at https://www.sec.gov/Archives/edgar/data/1691303/000121465924005025/o322245defn14a.htm; Warrior Met Coal, Inc., Additional Definitive Proxy Soliciting Materials (Apr. 9, 2024), available at https://www.sec.gov/Archives/edgar/data/1691303/000119312524093284/d819624ddefa14a.htm.

[26] *See* Rule 14a-8 Rescission Proposal, n.294; Division of Corporation Finance, Updated Statement Regarding the Division of Corporation Finance's Role in the Exchange Act Rule 14a-8 Process (Aug. 14, 2026), available at https://www.sec.gov/newsroom/speeches-statements/corpfin-statement-rule-14a-8-process-081426. Staff no-action responses were informal enforcement positions, not binding adjudications. *See* Rule 14a-8 Rescission Proposal, n.208.

The 67 percent threshold has a precedent in the Commission's universal proxy framework. Rule 14a-19(a)(3), adopted in 2021, requires dissidents soliciting proxies for competing director nominees to solicit holders representing at least 67 percent of the voting power of shares entitled to vote in the director election.[27] In adopting the rule, the Commission explained that the threshold would encourage meaningful solicitation efforts and discourage dissidents from relying on the company's solicitation without making substantial efforts of their own. Although Rule 14a-19 applies to contested director elections rather than shareholder proposals, the same principle supports a broad-solicitation threshold here. Proponents who reach that level will have made substantial efforts to offer shareholders an alternative to the company's card. Those who solicit fewer holders should not, by that choice alone, deprive the company of discretionary authority over the otherwise valid proxies it receives.

A uniform threshold would also be easier to administer than the current standard, which depends on the vote required to approve each proposal. Companies would continue to describe omitted proposals and disclose how they intend to exercise discretion, as required by Rule 14a-4(c)(2). Shareholders who wish to vote differently could use a proponent's proxy card, if received, or vote at the meeting in accordance with applicable procedures. In response to Request for Comment 18, we believe this approach would provide companies with more dependable discretionary authority without changing the requirements for contested director elections.[28]

A 67 percent threshold would not eliminate every reason for a company to include an independently solicited proposal. Companies might still prefer to obtain direct voting instructions and a clearer measure of shareholder sentiment. It would, however, reduce pressure to include a proposal solely to preserve the ability to vote against it.[29]

The Commission should also clarify that a company choosing to include an independently solicited shareholder proposal on its proxy card to obtain direct voting instructions need not reproduce the proposal's full text in its proxy statement, provided that its disclosures otherwise comply with applicable proxy disclosure and antifraud requirements. A clear, impartial description of the proposal, with a reference to any publicly filed materials from the proponent for additional information, should generally suffice. This clarification would reduce the burden on companies that voluntarily provide shareholders with a direct voting option.[30]

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[27] *See* 17 C.F.R. § 240.14a-19(a)(3). *See also* Universal Proxy Release (explaining the purpose of the 67 percent solicitation threshold).
[28] *See* Rule 14a-8 Rescission Proposal, Section II.B.3, Request for Comment 18; proposed Rule 14a-4(c)(2).
[29] *See* Rule 14a-8 Rescission Proposal, Section II.B.3, n.223; Section IV.C.2.h (Effects on Zero Slate Campaigns).
[30] We recommend retaining the current requirement to provide "advice on the nature of the matter." If the Commission instead adopts "a brief description," it should confirm that this change does not expand disclosure obligations. A proxy-card cross-reference should not be required if the opt-out check box is abandoned. *See* Rule 14a-8 Rescission Proposal, Section II.B.3 and nn.214–216; Amendments to Rules on Shareholder Proposals, Exchange Act Release No. 34-40018, Section IV.B.1 (May 21, 1998).

Alongside our recommended 67 percent threshold, we recommend a targeted amendment to Rule 14a-4(d)(1), the bona fide nominee rule, to address the distinct structural problems posed by zero-slate solicitations. The Commission amended that provision in 2021 to facilitate universal proxy voting in contested director elections, but the resulting framework also permits proponents who nominate no competing directors to include company nominees alongside their own shareholder proposals on a single card. We recommend amending Rule 14a-4(d)(1) so that a proponent may include the company's nominees on its card only when soliciting proxies in support of one or more competing director nominees.[31] This change would preserve universal proxy voting in contested director elections without extending the same mechanism to zero-slate campaigns. The two amendments would serve complementary purposes: the Rule 14a-4(d)(1) change would address the unique proxy-card advantage of zero-slate proponents, while the 67 percent threshold would govern discretionary voting authority in independent shareholder proposal solicitations. In response to Request for Comment 32, we encourage the Commission to consider this approach as part of the current rulemaking, if procedurally appropriate, or through a separate, targeted rulemaking.[32]

The Commission should also amend Schedule 14A to establish clear disclosure requirements for shareholders filing their own proxy statements to solicit votes on shareholder proposals. These should encompass any direct or indirect financial interest the proponent has in the proposal or its outcome; material relationships between the proponent and the company; and the identities and roles of persons materially involved in drafting the proposal or funding the solicitation. Such disclosures would help investors evaluate proponents' interests, potential conflicts, and the parties involved in advancing a proposal.

<u>The Commission Should Avoid New Preliminary Proxy Filing Burdens</u>

Rescission of Rule 14a-8 should not make shareholder proposals a new trigger for preliminary proxy filings at otherwise routine annual meetings. Current Rule 14a-6(a) generally exempts annual meetings involving Rule 14a-8 proposals from preliminary proxy filing. Although the Commission seeks to require preliminary filings only when a matter is "truly contested," its proposed definition of a "solicitation in opposition" would reach certain independent shareholder proposal solicitations and vote-against or withhold campaigns even when no competing directors are nominated.

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[31] For example, Rule 14a-4(d)(1)(i) could provide that a company nominee's consent permits inclusion on a proponent's proxy card only if the proponent solicits proxies in support of one or more nominees opposing the company's nominees.

[32] *See* Rule 14a-8 Rescission Proposal, Section II.B.3, nn.222–223; Section IV.C.2.h; Request for Comment 32; Universal Proxy Release. Rule 14a-19's universal-proxy requirements govern contested director elections. The ability to include company nominees on a zero-slate proponent's card instead arises from the amendment to the bona fide nominee rule in Rule 14a-4(d)(1).

Under the proposal, a company would need to file preliminary proxy materials if it "knows, or reasonably should know," of a non-exempt solicitation supporting a proposal that the company does not expressly support in its proxy materials. The proposing release explains that disclosing an intention to exercise discretion against an omitted proposal could trigger this requirement.[33] The definition would also encompass non-exempt campaigns urging shareholders to vote against or withhold votes from a director nominee, or to oppose a company proposal such as say-on-pay. Because such campaigns may arise without formal advance notice, the "knows, or reasonably should know" standard could leave companies uncertain about their filing obligations and disrupt meeting schedules established months earlier. Additional preliminary filings would increase costs for companies and demands on SEC staff resources that could otherwise be devoted to transactions and contested director elections.

In response to Request for Comment 28, Business Roundtable recommends that neither the submission, inclusion, or omission of a precatory shareholder proposal nor an independent solicitation concerning it should by itself require a company to file preliminary proxy materials for an otherwise routine annual meeting. The same protection should apply to vote-against and withhold campaigns. It should apply regardless of which Rule 14a-4 amendments the Commission adopts, including when a zero-slate proponent solicits proxies or a proponent falls below the applicable Rule 14a-4(c)(2) solicitation threshold.[34] It should also cover proposals included pursuant to state law or company governing documents, or included voluntarily, whether or not the board supports them.

To provide that certainty, the Commission should clarify in proposed Rule 14a-6(a)(3), consistent with the treatment contemplated by proposed Rule 14a-6(a)(4), that including a shareholder proposal pursuant to state law or company governing documents does not, by itself, require a company to file preliminary proxy materials.

This protection should also extend to companies that explain their opposition to omitted proposals or disclose how they intend to exercise discretionary voting authority. Existing preliminary filing triggers, including contested director elections and transactions requiring preliminary materials, would remain in place. Proponents conducting non-exempt solicitations would likewise remain subject to the preliminary filing requirements applicable to their own proxy materials.[35]

If the Commission nevertheless retains a preliminary filing requirement for companies facing independent shareholder proposal solicitations, it should condition that requirement on timely written notice from the proponent. In response to Request for Comment 30, we recommend a

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[33] *See* Rule 14a-8 Rescission Proposal, n.245.
[34] *See* Rule 14a-8 Rescission Proposal, Section II.C and nn.241–247; proposed Rule 14a-6(a) and Note 2 thereto.
[35] *See* Rule 14a-8 Rescission Proposal, Section II.C, Request for Comment 28 and n.247. The proposal would retain the preliminary filing requirements applicable to proponents conducting non-exempt solicitations.

clear deadline that allows the company sufficient time to prepare preliminary materials and satisfy the applicable waiting period before its planned definitive filing and mailing dates. The notice should identify the proposal and state the proponent's intention to file proxy materials and conduct a non-exempt solicitation; notice of the proposal alone should not suffice. Without timely notice, a later solicitation should not, by itself, trigger a preliminary filing requirement for the company, even if the company learns of it by other means. Other bases for preliminary filing would remain unaffected. This approach would give companies greater predictability without relaxing proponents' own filing obligations.[36]

The Proxy Solicitation Modernization Proposal

Business Roundtable supports the Proxy Solicitation Modernization Proposal's targeted amendments, which would reduce unnecessary costs and complexity while maintaining shareholders' access to information needed to exercise their voting rights.

Eliminating the Annual Report Delivery Requirement

We support the proposed amendments to Rule 14a-3 eliminating the requirement to deliver an annual report to security holders. Under the proposal, before furnishing a proxy statement for a meeting at which directors will be elected, a registrant would need to have filed its most recent Form 10-K on EDGAR or furnished an annual report satisfying the rule's requirements on EDGAR. Nearly all information currently required by Rule 14a-3(b) is already required in Form 10-K, and many registrants satisfy the existing delivery requirement by sending the Form 10-K or a "10-K wrap." The proposal would reduce duplication while ensuring that annual financial information remains publicly available.[37]

We also support eliminating Item 201(e)'s stock performance graph requirement for registrants other than investment companies. Investors can readily obtain stock performance information from other sources. This approach is consistent with Business Roundtable's April 2026 recommendation that the Commission reconsider the utility of Item 201 in light of information available from market data providers and existing filings.[38]

Eliminating the Delivery Deadline for Proxy Statements Incorporating Documents by Reference

Business Roundtable also supports eliminating Note D.3 to Schedule 14A and the corresponding minimum delivery periods in Forms S-4 and F-4. Adopted before EDGAR, these provisions were

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[36] *See* Rule 14a-8 Rescission Proposal, Section II.C, Request for Comment 30 and nn.246–247.
[37] *See* Proxy Solicitation Modernization Proposal, Section II.A, at 8–13; proposed Rule 14a-3(b).
[38] *See* Proxy Solicitation Modernization Proposal, Section II.A, at 12; Comments on Statement on Reforming Regulation S-K, Business Roundtable (Apr. 13, 2026), available at https://www.sec.gov/comments/cll-15/cll15-750527-2317354.pdf.

designed to give investors adequate time to access documents incorporated by reference. Those documents are now available without charge on EDGAR, and companies can provide requested copies electronically. Eliminating the separate 20-business-day delivery requirement would give companies greater flexibility in transaction and meeting timelines without changing the underlying disclosure requirements.[39]

Eliminating the Notice of Exempt Solicitation

We support rescinding Rule 14a-6(g), which was intended to provide visibility into certain exempt solicitations by large shareholders that might otherwise remain nonpublic. According to the Commission, approximately 80 percent of Notices of Exempt Solicitation submitted in 2025 were identified as voluntary filings by shareholders reporting ownership of $5 million or less of the relevant class of securities. Shareholders also have other means of making their views public. Voluntary notices may create confusion because they appear on a registrant's EDGAR page alongside the company's filings and other required submissions. Rescission would reduce this confusion while preserving the application of Rule 14a-9's antifraud requirements to solicitations exempt under Rule 14a-2(b)(1).[40]

In Request for Comment 11, the Commission asks whether shareholders engaging in exempt solicitations should be required to provide their written soliciting materials directly to the registrant if Rule 14a-6(g) is rescinded. Business Roundtable supports a straightforward direct-notice requirement for written materials used in solicitations exempt under Rule 14a-2(b)(1). Such notice would help companies brief boards and management, determine whether a response is warranted, and engage with investors. It would also help them identify potentially false or misleading statements or material omissions and, where appropriate, provide accurate information in response.[41]

The direct-notice requirement should apply regardless of the soliciting shareholder's ownership level; a company's need to understand communications to its shareholders does not depend on the sender's economic stake. Electronic delivery to a company contact identified on its investor relations website or in its proxy statement, concurrently with or promptly after the materials are first used, should suffice. The Commission should not require an EDGAR filing or otherwise recreate the public filing regime it proposes to eliminate. It should also clarify that the requirement covers written materials used in campaigns urging shareholders to vote against or withhold votes from company nominees, to vote against company proposals, or to support shareholder proposals, to the extent those campaigns constitute solicitations under the proxy rules. Separately, the Commission should clarify that coordinated shareholder campaigns may

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[39] *See* Proxy Solicitation Modernization Proposal, Section II.B, at 15–17.
[40] *See* Proxy Solicitation Modernization Proposal, Section II.C, at 17–21, particularly n.42; 17 C.F.R. §§ 240.14a-2(b)(1), 240.14a-9.
[41] *See* Proxy Solicitation Modernization Proposal, Section II.C, Request for Comment 11, at 23.

give rise to "group" status under Section 13(d)(3) when participants agree to act together for the purpose of voting an issuer's securities, consistent with existing guidance.[42]

Shortening the Broker Search Period

We support amending Rule 14a-13 to shorten the minimum lead time for initiating a broker search before the record date from 20 to five business days. Electronic communications and modern intermediary systems have eased many of the operational constraints underlying the existing period. A shorter minimum would give companies greater flexibility in scheduling record dates and meetings and could reduce transaction delays. Companies would remain free to begin the search earlier when circumstances warrant additional time.[43]

Contact Information and Technical Amendments

Finally, we support requiring cover-page contact information on Schedules 14A and 14C for a representative who can respond to SEC staff questions, including allowing an email address to satisfy the address requirement. Comparable information is required in registration statements and tender offer statements. This change should facilitate timely communication between staff and filers. We also support the proposal's related householding amendments and conforming and technical corrections.[44]

Conclusion

Business Roundtable urges the Commission to rescind Rule 14a-8 in its entirety and adopt the Proxy Solicitation Modernization Proposal's targeted reforms. To ensure that rescission meaningfully returns shareholder proposal decisions to state law and company governing documents, the Commission should also refine the related federal proxy rules. It should eliminate the proposed opt-out check box, preserve companies' discretionary voting authority unless a proponent solicits holders representing at least 67 percent of the voting power of shares entitled to vote on the proposal, and address the structural concerns raised by zero-slate campaigns through a targeted amendment to Rule 14a-4(d)(1). The Commission should also prevent shareholder proposals, independent solicitations, and vote-against or withhold campaigns from triggering preliminary filing requirements at otherwise routine annual meetings.

As part of proxy solicitation modernization, the Commission should pair rescission of Rule 14a-

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[42] *See* Modernization of Beneficial Ownership Reporting, Exchange Act Release No. 34-98704, 88 Fed. Reg. 76,896, 76,933–35 (Nov. 7, 2023) (discussing group formation and distinguishing agreements from communication alone); 17 C.F.R. § 240.13d-5(b)(1)(i).
[43] *See* Proxy Solicitation Modernization Proposal, Section II.D, at 23–26; proposed Rule 14a-13(a)(3).
[44] *See* Proxy Solicitation Modernization Proposal, Section II.E, at 28–32, particularly nn.63–64.

6(g) with a limited requirement to provide companies directly with written materials used in exempt solicitations, regardless of the soliciting shareholder's ownership level, including materials used in vote-against, withhold, and shareholder proposal campaigns. Together, these changes would reduce unnecessary costs and uncertainty, preserve transparent and workable proxy voting processes, and respect the allocation of authority between federal proxy regulation and state corporate law.

We would welcome the opportunity to discuss these comments or provide additional information. Please contact Will Anderson, Vice President, Business Roundtable, at wanderson@brt.org or (202) 496-3257.