



# SEC 14a-8 Shareholder Proxy Access Proposals No-Action Letter Trends



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## Introduction

Public companies may ask the Securities and Exchange Commission (SEC) for permission to omit shareholder proposals from their proxy votes through a no-action letter request under Rule 14a-8. This report analyzes shareholder proxy access proposals and the SEC's no-action rulings from January 1, 2018 through June 15, 2018.

## Executive Summary

- 50% of company no-action requests on proxy access proposals were approved.
- 35% were disapproved meaning that the proposals had to appear on the affected companies' proxies.
- The remaining 15% were either provisionally disapproved or withdrawn.

## Methodology

Our CompanyIQ™ platform surveyed no-action requests filed by US publicly traded companies and the no-action letter responses from the SEC from January 1, 2018 through June 15, 2018 to identify trends in shareholder proxy access proposals, company arguments, and SEC staff responses. For the purposes of this report, proxy access is defined as shareholder authority to call a special shareholder meeting or shareholder authority to nominate directors.

## Proxy Access A Major Concern

Thirty-three companies faced shareholder proposals on proxy access meaning that 15% of this year's 222 proposals relate to this item.

SEC staff approved half of these no-action requests on proxy access. Another 35% were disapproved meaning that the affected companies could not omit the proposals from their proxies. 9% were withdrawn; with another 6% were provisionally excluded.

Half proposed a 10% shareholder threshold while another 38% proposed a 3% threshold. The last 12% proposed a 15% threshold.

The table below highlights some of the proxy access shareholder proposals and the SEC staff action on them from January 1, 2018 through June 15, 2018.

**Table 1 – Proxy Access Proposals**

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	Company	Shareholder Proponent	Outcome	Stock Ownership Aggregation % Threshold
1)	Alexandria Real Estate	New York City Employees Retirement System	Withdrawn	3%
2)	Bank of America	John Chevedden	Permission to exclude	10%
3)	Citigroup	John Chevedden	Cannot omit	15%
4)	Navidea Biopharmaceuticals	David Bupp, Marksman Investment, Donald E. Garlikov	Permission to exclude	15%
5)	PayPal	John Chevedden	Provisional permission to exclude	3%

## Conclusion

Company no-action requests on shareholder proxy access proposals appear to have a 50-50 chance of receiving SEC approval suggesting that Rule 14a-8 can apply evenly for shareholders and companies.

## For More

A general overview report on recent no-action requests is available as well as a detailed report on ordinary business operations 14a-8(i)(7) requests.

We also can provide more information about no-action requests on shareholder proxy access proposals as well as custom reports on no-action requests.

Contact us at [reports@mylogiq.com](mailto:reports@mylogiq.com) or 888-546-4910.

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