
SEC Proposes to Modernize the Shareholder Proposal Process

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On November 5, 2019, the Securities and Exchange Commission (the “SEC”) proposed amendments to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the “Act”). Rule 14a-8 permits a company to exclude a shareholder proposal from its proxy statement if the proposal fails to meet any of several specified substantive requirements or if the shareholder-proponent does not satisfy certain eligibility or procedural requirements. The purpose of the proposed amendments to Rule 14a-8 (“Proposed Amendments”) is to modernize the eligibility and procedural requirements governing the inclusion of shareholder proposals in a company’s proxy statement, in light of the significant changes that have taken place in the markets in the decades since these regulatory requirements were last revised.

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