

Reminder of the SEC's Shareholder Proposal Amendments Effective for 2022 Annual Meetings

September 20, 2021 – Governance & Compliance Insider

by Cam C. Hoang

For those public companies soon to be receiving shareholder proposals for their upcoming annual shareholder meetings, please keep in mind that in September 2020, the SEC adopted amendments to Rule 14a-8. These amendments apply to any shareholder proposal submitted for an annual or special meeting to be held on or after January 1, 2022. However, the SEC may revisit this rulemaking and postpone their effectiveness pending further review. These amendments:

- Update the eligibility criteria that a shareholder must satisfy to have a shareholder proposal included in a company's proxy statement, though the current criteria are grandfathered for certain shareholders for meetings held prior to January 1, 2023;
- Require shareholder proponents to make themselves available for discussions with the company;
- Require shareholders appointing representatives to provide additional documentation;
- Provide that a single person may not submit multiple proposals at the same shareholders' meeting, whether as a shareholder or as a representative of a shareholder; and
- Increase the levels of required shareholder support a proposal must receive to be eligible for resubmission at the same company's future meetings.

The final rules also provide for a transition period that will allow certain shareholders to rely on the existing \$2,000/one-year ownership threshold for proposals submitted for an annual or special meeting to be held prior to January 1, 2023. These shareholders must have continuously held at least \$2,000 of the company's stock for one year as of the effective date of the amendments, and continuously maintain ownership of at least \$2,000 of such stock from the effective date of the amendments through the date the shareholder submits a proposal to such company.

We have provided a more detailed summary of the amendments at the end of [this document](#).

Related People

- Cam C. Hoang

Related Capabilities

- Corporate Governance & Compliance
- Mergers & Acquisitions
- Government Enforcement & Corporate Investigations