

[DISCUSSION DRAFT]

118TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To authorize the exclusion of shareholder proposals from proxy or consent solicitation material if such proposals substantially implement, substantially duplicate, or are substantially similar to previously included proposals.

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IN THE HOUSE OF REPRESENTATIVES

M. \_\_\_\_\_ introduced the following bill; which was referred to the  
Committee on \_\_\_\_\_

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**A BILL**

To authorize the exclusion of shareholder proposals from proxy or consent solicitation material if such proposals substantially implement, substantially duplicate, or are substantially similar to previously included proposals.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. EXCLUSION OF CERTAIN SHAREHOLDER PRO-**  
4 **POSALS.**

5 (a) EXCLUSION OF CERTAIN SHAREHOLDER PRO-  
6 POSALS.—A shareholder proposal submitted to an issuer  
7 pursuant to section 240.14a-8 of title 17, Code of Federal

1 Regulations, may be excluded by an issuer from its proxy  
2 or consent solicitation material for a meeting of the share-  
3 holders of such issuer if the shareholder proposal—

4 (1) has been substantially implemented by the  
5 issuer by implementing policies, practices, or proce-  
6 dures that compare favorably with the guidelines of  
7 the proposal and address the proposal's underlying  
8 concerns;

9 (2) substantially duplicates by having the same  
10 principal thrust or principal focus as another pro-  
11 posal previously submitted to the issuer by another  
12 proponent that will be included in such material; or

13 (3) addresses substantially the same subject  
14 matter as a previous proposal that shares the same  
15 substantive concerns as a proposal previously in-  
16 cluded in the proxy or consent solicitation material  
17 for a meeting of the shareholders of an issuer—

18 (A) for a meeting of the shareholders con-  
19 ducted in the preceding 5 calendar years; and

20 (B) if the most recent vote—

21 (i) occurred in the preceding 3 cal-  
22 endar years; and

23 (ii)(I) if voted on once during such 5-  
24 year period, received less than 10 percent  
25 of the votes cast;

1 (II) if voted on twice during such 5-  
2 year period, received less than 20 percent  
3 of the votes cast; or

4 (III) if voted on three or more times  
5 during such 5-year period, received less 40  
6 percent of the votes cast.

7 (b) NULLIFICATION OF PROPOSED RULE.—The Se-  
8 curities and Exchange Commission may not finalize or  
9 apply the positions contained in the proposed rule entitled  
10 “Substantial Implementation, Duplication, and Resubmis-  
11 sion of Shareholder Proposals under Exchange Act Rule  
12 14a-8” (87 Fed. Reg. 45052), issue any substantially  
13 similar rule, or apply any substantially similar rule, in-  
14 cluding with respect to a no-action or other interpretive  
15 request.