

## SEC Division of Corporation Finance Addresses Ordinary Business Basis for Shareholder Proposal Exclusion

October 22, 2019 | Client Update

On October 16, 2019, the SEC Division of Corporation Finance issued Staff Legal Bulletin No. 14K. SLB 14K outlines the analytical framework of the Division regarding Exchange Act Rule 14a-8(i)(7), the ordinary business exception, which permits a company to exclude from its proxy materials shareholder proposals that deal with the company's ordinary business and do not focus on significant policy issues, or where the proposals "micromanage" the company. SLB 14K also briefly discusses the Division's views on the proof of securities ownership requirements.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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