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January 19, 2024

VIA ONLINE SUBMISSION

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Re: *Zoetis Inc.*
Shareholder Proposal Submitted by John Chevedden

Ladies and Gentlemen:

This letter is submitted on behalf of Zoetis Inc. (the “Company”) to confirm to the Staff of the Division of Corporation Finance (the “Staff”) of the Securities and Exchange Commission (the “Commission”) that the Company intends to exclude from its proxy statement and form of proxy for its 2024 annual meeting of shareholders (collectively, the “2024 Proxy Materials”) a shareholder proposal (the “Proposal”) and statement in support thereof received from John Chevedden (the “Proponent”).

For the reasons outlined below, we hereby respectfully request that the Staff concur in our view that the Proposal may be properly excluded from the 2024 Proxy Materials.

In accordance with Rule 14a-8(j) of the Securities Exchange Act of 1934, this letter is being filed with the Commission no later than eighty (80) calendar days before the Company intends to file its definitive 2024 Proxy Materials with the Commission, and we are contemporaneously sending a copy of this letter and its attachments to the Proponent. On behalf of the Company, we confirm that the Company will promptly forward to the Proponent any Staff response to this no-action request that the Staff transmits only to the Company.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) provide that shareholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the Staff. Accordingly, we are taking this opportunity to inform the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008).

SUMMARY OF THE PROPOSAL

The Proposal sets forth the following proposed resolution for the vote of the Company's shareholders at its 2024 annual meeting of shareholders:

RESOLVED: Adopt a Corporate Governance Guideline, rule or bylaw provision to state that that a director who fails to obtain a majority vote in an uncontested election shall not be nominated by the Board at the next annual shareholder meeting.

A full copy of the Proposal and statement in support thereof is attached to this letter as Exhibit A hereto.

BASIS FOR EXCLUSION

The Company respectfully requests that the Staff concur in its view that the Proposal may be excluded from the 2024 Proxy Materials pursuant to:

- Rule 14a-8(i)(2) because the Proposal would cause the Company to violate Delaware law; and
- Rule 14a-8(i)(6) because the Company lacks the power to implement the Proposal.

ANALYSIS

I. The Proposal May Be Excluded under Rule 14a-8(i)(2) Because Implementation of the Proposal Would Cause the Company to Violate Delaware Law.

Rule 14a-8(i)(2) permits a company to exclude a shareholder proposal if implementation of the proposal would cause the company to violate any state, federal or foreign law to which it is

subject. The Company is incorporated under the laws of the State of Delaware. For the reasons set forth below and in the legal opinion regarding Delaware law from Morris, Nichols, Arsht & Tunnell LLP, attached hereto as Exhibit B (the “Delaware Counsel Opinion”), the Company believes that the Proposal is excludable under Rule 14a-8(i)(2) because, if implemented, the Proposal would cause the Company to violate Section 141(a) of the Delaware General Corporation Law (the “DGCL”).

As explained in further detail in the Delaware Counsel Opinion, the Proposal calls for the Company’s Board of Directors (the “Board”) to adopt a governance provision that would prevent the Board from re-nominating a director candidate who fails to obtain a majority vote in an uncontested election. Under Section 141(a) of the DGCL, the business and affairs of a corporation are “managed by or under the direction of a board of directors” except as otherwise provided under the DGCL or the corporation’s certificate of incorporation.

In interpreting Section 141(a) of the DGCL, Delaware courts have consistently held that a board may not unilaterally impose intra-governance restrictions on future boards that relate to a fundamental matter of corporate governance in a company’s bylaws. Delaware courts have expressly held that matters relating to the selection of director candidates are a fundamental matter of corporate governance and have invalidated agreements that prevent future directors from freely choosing director candidates. Delaware courts have also held that Section 141(a) of the DGCL confers any newly elected board the *full* power to manage and direct the business and affairs of a Delaware corporation, which affairs include the nomination of director candidates.

The Staff has consistently permitted the exclusion of proposals which, if implemented, would result in a violation of state law, including Delaware law. *See Alaska Air Group, Inc.* (Mar. 20, 2023) (permitting exclusion of a proposal requesting, among other things, the board of directors to take steps to enable both street name and non-street name shareholders to formally participate in acting by written consent on the basis that the proposal, if implemented, would violate Section 228 of the DGCL); *Quotient Technology Inc.* (May 6, 2022) (permitting exclusion of a proposal requesting the board of directors disqualify all shares owned and/or controlled by executive officers from voting to approve a tax benefits preservation plan on the basis that Delaware law prohibits unilateral board actions that disenfranchised stockholders); *eBay Inc.* (Apr. 1, 2020) (permitting exclusion of a proposal requesting the company permit employees to elect at least 20% of the board of directors on the basis that such action would be contrary to Sections 211(b) and 212(a) of the DGCL); *PayPal Holdings, Inc.* (Mar.9, 2018) (permitting exclusion of a proposal requesting, among other things, the board of directors make certain amendments to the company’s charter in violation of Delaware law); *The Goldman Sachs Group, Inc.* (Feb. 1, 2016) (permitting exclusion of a proposal requesting the board of directors include outside experts on the compensation committee on the basis that such action would violate Section 141(c) of the DGCL).

In addition, the Staff has also specifically permitted the exclusion of proposals which, if implemented, would create intra-governance restrictions on the board in violation of Section 141(a) of the DGCL. For example, in *Bank of America Corporation* (Feb. 23, 2012), the Staff permitted the exclusion of a proposal requesting the board of directors take action to minimize the indemnification of directors to the extent fully permissible under the DGCL on the basis that such action would violate the prohibition on intra-governance restrictions under Delaware law.

See also Monsanto Company (Nov. 7, 2008) (permitting exclusion of a proposal requesting the board of directors to require all directors to take an oath of allegiance to the United States Constitution on the basis that such action constituted an intra-governance restriction that would limit directors from fully discharging their duties under Section 141(a) of the DGCL).

Because the Proposal would require all future Company directors to decline to re-nominate certain directors, regardless of the circumstances, the Proposal, if implemented, would impose restrictions on future Board members in violation of Delaware law. Accordingly, the Proposal may be properly excluded from the Company's 2024 Proxy Materials under Rule 14a-8(i)(2).

II. The Proposal May Be Excluded under Rule 14a-8(i)(6) Because the Company Lacks the Power to Implement the Proposal.

Rule 14a-8(i)(6) allows a company to exclude a proposal if the company would lack the power or authority to implement the proposal. As described above, the Proposal would, if implemented, cause the Company to violate Delaware law. The Staff has on numerous occasions permitted exclusion under Rule 14a-8(i)(6) of proposals that would cause the company to violate the law of the jurisdiction of its incorporation. *See Arlington Asset Investment Corp.* (Apr. 23, 2021) (permitting exclusion of a proposal that would violate Virginia law); *eBay Inc.* (Apr. 1, 2020) (permitting exclusion of proposal that would violate Delaware law); *Highlands REIT, Inc.* (Feb. 7, 2020) (permitting exclusion of proposal that would violate Maryland law); *NiSource Inc.* (Mar. 22, 2010) (permitting exclusion of proposal that would violate Delaware law); *Schering-Plough Corp.* (Mar. 27, 2008) (permitting exclusion of proposal that would violate New Jersey law), *AT&T, Inc.* (Feb. 19, 2008) (permitting exclusion of a proposal that would violate Delaware law).

CONCLUSION

Based on the foregoing analyses, the Company respectfully requests the Staff's concurrence with the Company's view or, alternatively, that the Staff confirm that it will not recommend any enforcement action if the Company excludes the Proposal from the 2024 Proxy Materials.

If we can be of any further assistance in this matter, please do not hesitate to call me at (212) 403-1138. If the Staff is unable to concur with the Company's conclusions without additional information or discussions, the Company respectfully requests the opportunity to confer with members of the Staff prior to the issuance of any written response to this letter. In accordance with Staff Legal Bulletin No. 14F, Part F (Oct. 18, 2011), please kindly send your response to this letter by email to CXWLu@wlrk.com.

Very truly yours,



Carmen X. W. Lu

Enclosures

cc: Heidi C. Chen, Zoetis Inc.
Salvatore (S.J.) Gagliardi, Zoetis Inc.
Lauren Luptak, Zoetis Inc.
Eric S. Klinger-Wilensky, Morris, Nichols, Arsht & Tunnell LLP
James D. Honaker, Morris, Nichols, Arsht & Tunnell LLP
John Chevedden

EXHIBIT A

Proponent's Proposal and Supporting Statement

JOHN CHEVEDDEN

Redondo Beach, CA 90278

Ms. Heidi C. Chen
Corporate Secretary
Zoetis Inc. (ZTS)
10 Sylvan Way
Parsippany, NJ 07054
PH: [REDACTED]

Dear Ms. Chen,

This Rule 14a-8 proposal is respectfully submitted in support of the long-term performance of our company.

This Rule 14a-8 proposal is intended as a low-cost method to improve company performance – especially compared to the substantial capitalization of our company.

This proposal is for the next annual shareholder meeting.

I intend to continue to hold the required amount of Company shares through the date of the Company's next Annual Meeting of Stockholders and beyond as is or will be documented in my ownership proof.

This submitted format, with the shareholder-supplied emphasis, is intended to be used for definitive proxy publication.

Please assign the proper sequential proposal number in each appropriate place.

Please use the title of the proposal in bold in all references to the proposal in the proxy including the table of contents, like Board of Directors proposals, and on the ballot. If there is objection to the title please negotiate or seek no action relief as a last resort.

I expect to forward a broker letter soon so if you acknowledge this proposal in an email message to [REDACTED] it may very well save you from formally requesting a broker letter from me.

Please confirm that this proposal was sent to the correct email address for rule 14a-8 proposals. Per SEC SLB 14L, Section F, the Securities and Exchange Commission Staff "encourages both companies and shareholder proponents to acknowledge receipt of emails when requested." I so request.

Sincerely,


John Chevedden


Date

cc: "Luptak, Lauren" [REDACTED]
Salvatore Gagliardi [REDACTED]
Mandee Lee [REDACTED]

[ZTS: Rule 14a-8 Proposal, December 7, 2023]

[This line and any line above it – *Not* for publication.]

Proposal 4 – Directors to be Elected by Majority Vote Improvement

Resolved: Adopt a Corporate Governance Guideline, rule or bylaw provision to state that that a director who fails to obtain a majority vote in an uncontested election shall not be nominated by the Board at the next annual shareholder meeting.

When Zoetis shareholders give a director a no confidence vote it is important that the Zoetis Board respect the vote of Zoetis shareholders and not override such a shareholder no confidence vote. This proposal could improve director performance because a failed vote would have more of a consequence. Currently a failed vote can have no consequences because a director with a failed vote can remain on the Board continuously for years into the future.

The Board of Directors would have plenty of time to prepare for a failed vote because the Board can see how the incoming votes trend. Plus the Board can take steps to turnaround failed incoming votes.

Please vote yes:

Directors to be Elected by Majority Vote Improvement – Proposal 4

[The line above – *Is* for publication. Please assign the correct proposal number in the 2 places.]

Notes:

Please use the title of the proposal in bold in all references to the proposal in the proxy and on the ballot. If there is objection to the title please negotiate or seek no action relief as a last resort.

“Proposal 4” stands in for the final proposal number that management will assign.

This proposal is believed to conform with Staff Legal Bulletin No. 14B (CF), September 15, 2004 including (emphasis added):

Accordingly, going forward, we believe that it would not be appropriate for companies to exclude supporting statement language and/or an entire proposal in reliance on rule 14a-8(l)(3) in the following circumstances:

- the company objects to factual assertions because they are not supported;
- the company objects to factual assertions that, while not materially false or misleading, may be disputed or countered;
- the company objects to factual assertions because those assertions may be interpreted by shareholders in a manner that is unfavorable to the company, its directors, or its officers; and/or
- the company objects to statements because they represent the opinion of the shareholder proponent or a referenced source, but the statements are not identified specifically as such.

We believe that it is appropriate under rule 14a-8 for companies to address these objections in their statements of opposition.

See also: Sun Microsystems, Inc. (July 21, 2005).

The stock supporting this proposal will be held until after the annual meeting and the proposal will be presented at the annual meeting. **I intend to continue holding the same required amount of Company shares through the date of the Company’s next Annual Meeting of Stockholders as is or will be documented in my ownership proof.**

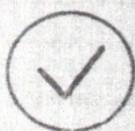
Please acknowledge this proposal promptly by email [REDACTED].

It is not intend that dashes (–) in the proposal be replaced by hyphens (-).
Please alert the proxy editor.

The color version of the below graphic is to be published immediately after the bold title line of the proposal at the **beginning** of the proposal and be **center justified**.

Please use the title of the proposal in bold in all references to the proposal in the proxy and on the ballot.

If there is objection to the title please negotiate or seek no action relief as a last resort.
Please do not insert any management words between the top line of the proposal and the concluding line of the proposal.



FOR

*Shareholder
Rights*

Exhibit B

Opinion of Morris, Nichols, Arsht & Tunnell LLP

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

1201 NORTH MARKET STREET
P.O. BOX 1347
WILMINGTON, DELAWARE 19899-1347

—
(302) 658-9200
(302) 658-3989 FAX

January 19, 2024

Zoetis Inc.
10 Sylvan Way
Parsippany, New Jersey 07054

Ladies and Gentlemen:

This letter confirms our advice with respect to a stockholder proposal (the “Proposal”) submitted by John Chevedden (the “Proponent”) to Zoetis Inc., a Delaware corporation (the “Company”), for inclusion in the Company’s proxy materials for its next annual meeting of stockholders. It is our opinion that the Proposal would cause the Company to violate Delaware law if it were implemented and that the Company lacks the power to implement the Proposal.

The Proposal would prohibit the Company’s Board of Directors (the “Board”) from nominating a director for re-election if the director failed to receive a majority vote at a prior stockholder meeting:

Resolved: Adopt a Corporate Governance Guideline, rule or bylaw provision to state that that [sic] a director who fails to obtain a majority vote in an uncontested election shall not be nominated by the Board at the next annual shareholder meeting.

The Proposal calls on the Board, today, to adopt a governance restriction that prevents the directors from nominating a candidate for re-election, regardless of future circumstances. The Board would be prohibited from nominating for re-election that candidate notwithstanding his or her qualifications and irrespective of any circumstances that might change between the candidate’s failed election and the next annual meeting of stockholders.

The Proposal contravenes Delaware case law spanning decades that holds a board of directors cannot unilaterally impose such an intra-governance restriction on the decisions of future directors that relate to a matter of fundamental corporate governance. Under Section 141(a) of the Delaware General Corporation Law (the “DGCL”), “[t]he business and affairs of every [Delaware] corporation . . . shall be managed by or under the direction of a board of directors,

except as may be otherwise provided in [the DGCL] or in its certificate of incorporation.”¹ The Delaware Supreme Court has held that a board cannot adopt an intra-governance restriction that would prevent a future board from “completely discharging its fundamental management duties to the corporation.”² Nor can a governing document other than the certificate of incorporation “limit in a substantial way the freedom of . . . directors’ decisions on matters of management policy.”³

The Delaware courts have expressly applied Section 141(a) and this related case law to invalidate intra-governance restrictions that prevent future directors from freely choosing candidates for director. In *Chapin v. Benwood Foundation, Inc.*, the Delaware Court of Chancery invalidated a multi-year agreement among four directors of a corporation, pursuant to which each director named a desired nominee to succeed him as a director and all of the other directors agreed to vote in favor of the successor no matter how circumstances might change in the future.⁴ The Court held the agreement “should be controlled by the long-standing rule that directors of a Delaware corporation may not delegate to others those duties which lay at the heart of the management of the corporation.”⁵ Decisions on the future composition of the board are at the heart of management:

[Directors owe] a duty to use their best judgment in filling a vacancy on the board of [directors] as of the time the need arises. To commit themselves in advance perhaps years in advance to fill a particular board vacancy with a certain named person, regardless of the circumstances that may exist at the time that the vacancy occurs, is not the type of agreement that this Court should enforce⁶

¹ The Proposal does not seek any amendment to the Company’s Certificate of Incorporation, so that part of Section 141(a) of the DGCL and related Delaware case law does not apply to the Proposal. The Proponent also has not asked for more limited measures that might comply with Delaware law. For example, a Delaware corporation’s bylaws may include reasonable qualifications for directors. But qualifications must apply to both board and stockholder nominees, whereas the Proposal seeks to mandate a decision by the Board only with respect to its nominees for election.

² *Quickturn Design Sys. v. Shapiro*, 721 A.2d 1281, 1291 (Del. 1998) (invalidating a “delayed redemption provision” that, under certain circumstances, would have prevented newly elected directors from redeeming a stockholder rights plan for a six-month period).

³ *Id.* at 1292. See also *Abercrombie v. Davies*, 123 A.2d 893, 899 (Del. Ch. 1956), *rev’d on other grounds*, 130 A.2d 338 (Del. 1957) (invalidating a contract provision that required directors to vote in favor of actions supported by seven of fifteen directors and to abide by the decision of an arbitrator in the event of certain board deadlocks).

⁴ 402 A.2d 1205 (1979). The corporation at issue was a non-profit membership corporation that referred to its directors as “trustees,” but the Court recognized that they were the equivalent of directors for purposes of the DGCL.

⁵ *Id.* at 1204.

⁶ *Id.* at 1211.

The Delaware Supreme Court later relied on Section 141(a) of the DGCL to invalidate an attempt by a board of directors unilaterally to restrict a future board's response to an offer to acquire the corporation. In *Quickturn Design Systems, Inc.*, a bidder made a hostile tender offer to acquire the corporation's stock. The target corporation had in place a stockholder rights plan that would effectively prohibit the bidder from acquiring more than 15% of the stock. The board of directors amended the rights plan to add a novel "Delayed Redemption Provision," which prohibited newly elected directors from terminating the rights plan for a six-month period following their election if the purpose of termination was to facilitate a transaction with any bidder who supported the election of those directors to the board. The Court invalidated the Delayed Redemption Provision:

The Delayed Redemption Provision ... would prevent a newly elected board of directors from *completely* discharging its fundamental management duties to the corporation and its stockholders for six months. While the Delayed Redemption Provision limits the board of directors' authority in only one respect, ... it nonetheless restricts the board's power in an area of fundamental importance to the shareholders—negotiating a possible sale of the corporation. Therefore, we hold that the Delayed Redemption Provision is invalid under Section 141(a), which confers upon any newly elected board of directors *full* power to manage and direct the business and affairs of a Delaware corporation.⁷

The Proposal would cause the Company to violate Section 141(a) of the DGCL as applied in *Chapin* and *Quickturn*. The Proposal would require future Company directors to decline to re-nominate a director who received an adverse majority vote at a prior annual meeting. But *Chapin* identifies the selection of director candidates as a duty "at the heart of the management of the corporation." When such a duty is so fundamental to the corporation, *Quickturn* requires that future directors have "full" power to "completely" discharge that fundamental duty.

Chapin requires that future Company directors must "use their best judgment" in recommending nominees to the board "as of the time the need arises." If a director failed to receive a majority vote for re-election at a stockholder meeting, one of several factors could have led to that outcome. Between the occurrence of that failed election and the next stockholder meeting, the Board might take alternative measures to address stockholder concerns and still re-nominate the director for re-election. The director who was not re-elected might also have unique talents or qualifications that require his or her continued service on the board. His or her service might also be necessary to ensure the Company complies with applicable laws and stock exchange listing standards. Or his or her experience or service might be necessary depending on the experience and qualifications of the other directors on the Board. *Chapin* prohibits these decisions on a future nomination of a director from being made in advance, in a factual vacuum.

⁷ 721 A.2d at 1291-92.

For all these reasons, the Board cannot limit its own discretion on future nominations by fiat of a “Corporate Governance Guideline, rule or bylaw.”⁸ Doing so would preclude future directors from using their best judgment on a future nominee and might deprive stockholders of the ability to vote on that nominee. Accordingly, it is our opinion that the Proposal would cause the Company to violate Delaware law if it were implemented and that the Company lacks the power to implement the Proposal.

Very truly yours,

Morris, Nichols, Arshet & Tunnell LLP

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⁸ As noted above, a restriction on nominations might be permissible if it is included in the certificate of incorporation, but the Proponent has not asked the board and stockholders to undertake the process for approving an amendment to the certificate. Nor are the restrictions being proposed in connection with a corporate or commercial transaction. A restriction on nominations may be permissible if it is imposed in a commercial agreement or arrangement, such as a restriction on nominations granted in exchange for bargained-for consideration given to the Company or to induce actions that benefit the Company or its stockholders. The restrictions urged by the Proponent are instead intra governance measures (much like the succession agreement in *Chapin* and the rights plan in *Quickturn*) that are subject to the provisions of Section 141(a) of the DGCL.