

GENERAL MOTORS

February 25, 2020

Vanessa A. Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

**Re: SEC File No. S7-23-19
Procedural Requirements and Resubmission Thresholds under Exchange Act Rule
14a-8**

Dear Ms. Countryman,

General Motors Company (“GM,” “our” or “we”) appreciates the opportunity to provide comments to the U.S. Securities and Exchange Commission (the “Commission”) in response to the proposed amendments to the Procedural Requirements and Resubmission Thresholds under Exchange Act Rule 14a-8 (the “Proposed Rule”).

GM designs, builds and sells trucks, crossovers, cars and automobile parts worldwide, is investing in and growing an autonomous vehicle business and provides automotive financing services. GM, its subsidiaries and joint ventures sell vehicles under the Buick, Cadillac, Chevrolet, GMC, Baojun, Holden and Wuling brands.

Summary

GM values its shareholders and is proud of our ongoing shareholder engagement programs. Our most recent proxy statement highlights some of the key messages we heard from shareholders and our actions in response to those messages. We were proud to report last year that members of our Board of Directors met in person with shareholders representing approximately 21% of shares outstanding. We are committed to hearing from our shareholders and other stakeholders. This includes engaging with each shareholder proponent about the substance of their proposal.

We recognize that the Rule 14a-8 shareholder proposal process is an important shareholder right. However, we support a fair balancing of the interests of proponents, other shareholders and registrants because this important shareholder right comes at a cost – a potentially significant cost – that must be considered when evaluating the application of Rule 14a-8.

Filing a shareholder proposal begins a process that demands the time and attention of the company’s executive leadership team and board of directors. Although every proposal and response is different, our experience is that each proposal at GM requires approximately 75 hours of time, consisting of: (i) evaluation for compliance with Rule 14a-8; (ii) requesting proof of ownership and other required documentation; (iii) drafting and submission of no-action requests; (iv) consultations with management and our Board of Directors; (v) drafting and approval of Board responses for inclusion in the proxy statement; and (vi) engaging (sometimes on multiple occasions) with the proponent and co-filers, if any. Although we have not attempted to calculate a numerical cost attached to each proposal, we find the range of estimates in the Proposing Release

of \$87,000 to \$150,000¹ directionally accurate. Whatever the exact cost in terms of time, dollars and attention required, it is significant.

For these reasons, we express our support for a number of the key aspects of the Proposed Rule, and offer for your consideration certain additional recommendations, which we believe would further the ultimate goal of the Proposed Rule to modernize Rule 14a-8 and better balance the interests of shareholder proponents, other shareholders and registrants. We write specifically to support (i) modern resubmission thresholds that account for proposal momentum (or lack thereof), (ii) the one proposal per-person, per-company limit and (iii) certain Rule 14a-8 process improvements related to the shareholder designation of lead filers, confirmation of shareholder intent to co-file proposals, and clear standards for shareholder documentation.

Discussion

1. GM Supports Modern Resubmission Thresholds That Account for Proposal Momentum

We support the Proposed Rule's attempt to increase resubmission thresholds to better balance the desire for shareholder input on company matters against the cost in responding to proposals with no likelihood of passing. We would prefer thresholds of "6/15/30%" suggested in an earlier proposal² instead of the Proposed Rule's "5/15/25%," as 30% is a more commonly accepted market standard of substantial support, but the Proposed Rule's threshold is a meaningful step forward compared to current practice.

We also support the intent behind the Proposed Rule's "Momentum Requirement," which would allow companies to exclude proposals dealing with substantially the same subject matter as those previously voted on three or more times in the preceding five calendar years if a proposal received less than a majority of votes cast and declined by 10% or more over the immediately preceding shareholder vote. However, we believe that, in lieu of a requirement that support for a proposal decline at least 10% in any year after year three in order to be excludable, a positive momentum requirement should be imposed so that proposals with stagnant support at a level that is above the three-year threshold but below majority support must show an increase in support in order to be eligible for resubmission without a cooling-off period. In other words, if, after three attempts, the vote support for a shareholder proposal does not increase year-on-year, the registrant (and, ultimately, other shareholders) should not be required to incur the cost of inclusion of the proposal in perpetuity and, therefore, the proposal should be excludable. Such a requirement would help companies and their other shareholders avoid revisiting proposals that are likely to fail.

2. GM Supports the One Proposal Per Company Limit

Currently, Rule 14a-8(c) provides that each shareholder may only submit one proposal to a company for a vote at an annual meeting. The Commission's proposed revision to this rule would apply the one-proposal limit to "each person" rather than "each shareholder," thus preventing a shareholder from submitting one proposal in its own name while at the same time

¹ SEC Release No. 34-87458; Procedural Requirements and Resubmission Thresholds under Exchange Act Rule 14a-8; November 5, 2019, 12.

² SEC Release No. 34-39093; Amendments to Rules on Shareholder Proposals; September 19, 1997.

submitting additional proposals as a representative of other shareholders who may have no interest in the issue at hand. We support the proposed revision to Rule 14a-8(c) that each person may only submit one proposal to a company for vote at its annual meeting. Under the current rules, we believe the one-proposal limit has been abused. For example, during this proxy season, GM has received four proposals from the same person – one in the shareholder’s personal capacity and three as the representative of other shareholders. While we support rules that provide our shareholders with a meaningful opportunity to present proposals in our proxy statement, we also support commonsense eligibility criteria that will reasonably limit registrants’ administrative costs and prevent our shareholders from the distraction of considering multiple proposals from a single person. As noted above, the administrative cost to registrants associated with a shareholder proposal can be significant. Of course, we would not support any rule that would prevent shareholders from seeking assistance and advice from lawyers or other advisers to help them navigate the shareholder proposal process.

3. GM Supports Requiring the Designation of a Lead Filer

GM agrees with the Commission’s statements in the Proposed Rule that the best practice for co-filed proposals is to clearly state in the initial submittal letter that the proposal is being co-filed and to identify the lead filer. We support revising the rules to require these practices, including a requirement that co-filers identify a lead filer who is empowered to negotiate with the registrant and has the authority to withdraw the proposal on behalf of each co-filer. The Commission did not propose such changes but requested comment on whether it should revise the rules in this way. We believe that these changes, if included in the final rule, would ease our and the Commission’s administrative burden by reducing confusion created by duplicative proposals and allowing companies to negotiate with one party with the assurance that the lead party speaks for all co-filers.

4. GM Supports Requiring Shareholders to Provide Confirmation to Registrants When Co-Filing Proposals

We also support including a requirement that the transmittal communication of a shareholder proposal must clearly state when a proposal is being co-filed. As the Commission noted in footnote 61 to the Proposed Rule, the current rules can lead to situations in which registrants receiving duplicative proposals from multiple shareholders and are unable to ascertain whether a proposal is co-filed. A proposal that is substantially duplicative of a previously received shareholder proposal that the company includes in its proxy statement may be excluded under Rule 14a-8. Although the practice of the Staff is generally to concur with a company decision to exclude a duplicative proposal where the co-filer relationship was not clearly indicated, including in the Proposed Rule a requirement that proponents indicate co-filing status would likely reduce the frequency of these types of no-action requests. GM has experienced situations where multiple shareholders submit identical shareholder proposals without indicating whether they intend to be co-filers, which creates significant confusion and results in extensive correspondence with shareholders to confirm the proposal submission meets the Rule 14a-8 eligibility criteria. The issue of whether shareholders intend to co-file may be of particular importance depending on how the Commission ultimately rules with respect to permitting shareholders to aggregate their securities for purposes of meeting the minimum ownership thresholds under Rule 14a-8.

Imposing a requirement that shareholder proponents clearly state in the initial submittal letter that the proposal is being co-filed and to identify the lead filer is a simple and low-cost way to improve the Rule 14a-8 shareholder proposal process.

5. *GM Supports Improved Documentation for Authorizing Shareholder Representatives*

Finally, we also support the Proposed Rule's requirement that shareholders provide documentation attesting to their support for, and authorization of, any shareholder proposal submitted by a representative on the shareholder's behalf. Requiring this documentation when a shareholder proposal is submitted by a representative ensures that the interest being promoted is sincerely held by the shareholder and not just the representative. It should also limit the number of shareholder proposals received from individuals and entities that only qualify pursuant to an arrangement with the registrant's other shareholders. We also believe that the proposed amendment will reduce the administrative strain placed on registrants – a burden that we assert can be significant – to identify and assess the nature and scope of the representative relationship at minimal cost to the shareholder.

We thank the Commission for its attempt to modernize Rule 14a-8 for the benefit of both shareholders and the companies they own and appreciate your consideration of our thoughts on the Proposed Rule.

Sincerely,



Rick E. Hansen
Assistant General Counsel and Corporate Secretary
General Motors Company