



Davis Polk & Wardwell LLP 212 450 4000 tel
450 Lexington Avenue 212 701 5800 fax
New York, NY 10017

December 14, 2018

Re: **Shareholder Proposal of Mr. Kenneth Steiner Pursuant to Rule 14a-8
of the Securities Exchange Act of 1934**

U.S. Securities and Exchange Commission
Office of Chief Counsel
Division of Corporation Finance
100 F Street, NE
Washington, DC 20549
(Via email: shareholderproposals@sec.gov)

Dear Sir or Madam:

On behalf of Leidos Holdings, a Delaware corporation (the "**Company**" or "**Leidos**"), and in accordance with Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended, we are filing this letter with respect to the shareholder proposal and supporting statement submitted by Mr. Kenneth Steiner (the "**Proponent**"), on October 9, 2018 (the "**Shareholder Proposal**") for inclusion in the proxy materials that Leidos intends to distribute in connection with its 2019 Annual Meeting of Shareholders (the "**2019 Proxy Materials**"). We hereby request confirmation that the staff of the Office of Chief Counsel (the "**Staff**") will not recommend any enforcement action if, in reliance on Rule 14a-8, Leidos omits the Shareholder Proposal from its 2019 Proxy Materials.

Pursuant to Rule 14a-8(j), this letter is being filed with the Commission no later than 80 calendar days before Leidos files its definitive 2019 Proxy Materials. Pursuant to Staff Legal Bulletin No. 14D (CF), *Shareholder Proposals* (Nov. 7, 2008), question C, we have submitted this letter to the Commission via email to shareholderproposals@sec.gov.

Pursuant to Rule 14a-8(j), as notification of the Company's intention to omit the Shareholder Proposal from its 2019 Proxy Materials, a copy of this submission is being sent simultaneously to John Chevedden, the proxy appointed by the Proponent to receive correspondence related to the Shareholder Proposal. This letter constitutes the Company's statement of the reasons that it deems the omission of the Shareholder Proposal to be proper. We have been advised by the Company as to the factual matters set forth herein.

The Shareholder Proposal states:

RESOLVED, Shareholders request that our board take each step necessary so that each voting requirement in our charter and bylaws (that is explicit or implicit due to default to state law) that calls for a greater than simple majority vote be eliminated, and replaced by a requirement for a majority of the votes cast for and against applicable proposals, or a simple majority in compliance with applicable laws. If necessary this means the closest standard to a majority of the votes cast for and against such proposals consistent with applicable laws.

A copy of the Shareholder Proposal and other correspondence is attached to this letter as Exhibit A.

Statement of Reasons to Exclude

The Company believes that the Shareholder Proposal may properly be excluded from its proxy statement under Rule 14a-8(i)(9) because it will directly conflict with one of the Company's own proposals to be submitted to shareholders at the same meeting. The Commission has indicated that the company's proposal need not be "identical in scope or focus for the exclusion to be available." *Exchange Act Release No. 34-40018* (May 21, 1998).

The Shareholder Proposal implicates the following provisions of the Leidos Charter:

- Article SIXTH provides that no section of the Company's Bylaws may be adopted, repealed, altered, amended or rescinded by the shareholders of the Company except by the affirmative vote of not less than two-thirds of the total voting power of all outstanding shares of voting stock of the Company;
- Article SEVENTH, Section (C) provides that any director or the entire Board of Directors may be removed with or without cause by the holders of two-thirds of the total voting power of all outstanding shares then entitled to vote at an election of directors;
- Article NINTH requires the affirmative vote of the holders of not less than two-thirds of the total voting power of all outstanding shares of voting stock of the Company to repeal or amend certain specified provisions in the Leidos Charter;
- Article TENTH, Section (B) requires the approval of certain business combination transactions that involve a "Related Person" (as defined in the Leidos Charter as a person other than the Company, an employee stock ownership or other employee benefit plan of the Company or a subsidiary of the Company that beneficially owns an aggregate of 5% or more of the total voting power of all of the outstanding shares of voting stock of the Company, or an affiliate or associate of any such person) by the

affirmative vote of the holders of (i) at least 80% of the total voting power of all of the outstanding shares of total voting stock of the Company and (ii) at least a majority of the total voting power of all of the outstanding shares of voting stock of the Company other than shares of voting stock which are beneficially owned by such Related Person, unless the transaction is approved by the Continuing Directors (as defined in the Leidos Charter) or certain fair price conditions are satisfied; and

- Article TENTH, Section (I) requires the affirmative vote of the holders of at least 80% of the total voting power of all outstanding shares of voting stock of the Company to amend, alter, change or repeal any provisions set forth in such Article TENTH; *provided* that such provisions may be amended, altered, changed or repealed upon the affirmative vote of the holders of at least a majority of the total voting power of all outstanding shares of voting stock of the Company if first approved and recommended by a resolution adopted by a majority vote of the Continuing Directors (as defined in the Leidos Charter).
- In addition, Section 7.04 of the Company's Bylaws currently repeats the voting standard from Article SIXTH of the Leidos Charter regarding shareholder amendments to the Bylaws.

The Nominating and Corporate Governance Committee (the "**Committee**") of the Board of Directors of the Company (the "**Board**") has reviewed the Shareholder Proposal and recommended to the Board the inclusion of a management proposal in the Company's 2019 Proxy Materials to amend the foregoing provisions of the Leidos Charter, declaring the proposal's advisability and recommending that the Company's shareholders approve such amendment (the "**Company Proposal**"). Based on the recommendation of the Committee and the Board's own consideration of the Shareholder Proposal and the Company Proposal, management intends to include the Company Proposal in the Company's 2019 Proxy Materials upon authorization by the Board as explained on page 5.

The Company Proposal will ask shareholders to approve amendments to the Leidos Charter and Bylaws such that:

- Articles SIXTH and NINTH will be amended so that any of the actions referenced in such Articles will require the affirmative approval of a majority of the total voting power of all outstanding shares of voting stock of the Company.
- Article SEVENTH, Section (C) will be amended such that any director or the entire Board may be removed with or without cause by the holders of a majority of the total voting power of all outstanding shares then entitled to vote at an election of directors.
- Article TENTH, Sections (B) and (I) will be amended such that the references in those Sections to an 80% threshold would be amended and replaced with a threshold of "two-thirds of the total voting power of all of the outstanding shares of total voting stock."

- In addition, the Board is expected to authorize a conforming amendment to eliminate and replace the supermajority provision from Section 7.04 of the Company's Bylaws, at the time the Board is expected to authorize the Company Proposal, contingent upon shareholder approval of the amendment of the controlling provision in Article SIXTH.

The Company Proposal and the Shareholder Proposal would present alternative and conflicting decisions for shareholders because they would apply different voting thresholds for the same provision. For example, the Company Proposal would reduce the current 80% thresholds in Article TENTH and would set those thresholds at "two-thirds of the total voting power of all of the outstanding shares of total voting stock," which directly conflicts with the Shareholder Proposal's request to set the thresholds at a "simple majority." Further, the Company Proposal would eliminate and replace the current two-thirds thresholds in Articles SIXTH, SEVENTH and NINTH of the Leidos Charter and Section 7.04 of the Company's Bylaws to require the affirmative approval of a majority of the total voting power of the outstanding voting stock of the Company with respect to such matters, which also directly conflicts with the Shareholder Proposal's request to set the thresholds at a "simple majority."

Where a shareholder proposal and a company proposal present alternative and conflicting decisions for shareholders, and submitting both matters for shareholder vote could produce inconsistent and ambiguous results, the Staff has permitted exclusion of the shareholder proposal under Rule 14a-8(i)(9). The Staff has previously concurred in the exclusion of shareholder proposals requesting the adoption of simple majority voting when the company represents that it will seek shareholder approval of an amendment to reduce provisions containing supermajority thresholds to "a majority of shares outstanding." See, e.g., *Illumina, Inc.* (March 18, 2016); *CVS Caremark Corporation* (February 8, 2013); *Alcoa Inc.* (January 6, 2012); *Fluor Corp.* (January 25, 2011); *Del Monte Foods Co.* (June 3, 2010); *Caterpillar Inc.* (March 30, 2010); *Allergan Inc.* (February 22, 2010); *The Walt Disney Company* (November 16, 2009, *recon. denied* December 17, 2009). Similarly, in *SUPERVALU Inc.* (April 20, 2012), the Staff concurred with the exclusion of a shareholder proposal that requested the adoption of simple majority voting when a company indicated that it planned to submit a proposal to amend its bylaws and articles of incorporation to reduce supermajority provisions from 75% to 66 2/3%. See also *Duke Energy Corp.* (March 2, 2012) (concurring with the exclusion of a shareholder proposal requesting that the company adopt simple majority voting where the company planned to submit a proposal reducing any supermajority provisions from 80% to 75%); *Piedmont Natural Gas Co., Inc.* (November 17, 2011) (concurring with the exclusion of a shareholder proposal requesting that the company adopt simple majority voting where the company planned to submit a proposal reducing any provisions requiring a supermajority vote to 66 2/3%); *H.J. Heinz Company* (April 23, 2007) (concurring with the exclusion of a shareholder proposal requesting that the company adopt simple majority voting where the company planned to submit a proposal reducing any supermajority provisions from 80% to 60%).

If both the Shareholder Proposal and the Company Proposal were included in the 2019 Proxy Materials, the confusion caused could easily lead to a vote result that is not necessarily representative of the views of shareholders, and a situation in which the

Company would be unsure on how to implement the wishes of its shareholders. For example, if the Leidos shareholders were to approve both proposals, it would not be possible to determine which of the alternative proposals they preferred, as some shareholders may have supported both while other shareholders may have supported one but not the other. Further, if both proposals were voted upon, some shareholders may have supported one of the proposals solely in preference to the other proposal, but might not have supported either proposal on an individual basis, preferring instead to maintain the status quo.

As described above in this letter, Leidos' determination to ask shareholders to approve the Company Proposal is substantially similar to the facts presented in prior no-action requests for which the Staff has permitted exclusion of a conflicting shareholder proposal. The Shareholder Proposal and the Company Proposal directly conflict, and if both were included in the 2019 Proxy Materials, would present different and directly conflicting decisions for shareholders on the same subject matter at the same shareholder meeting.

We are submitting this letter at this time in light of the timing provisions in Rule 14a-8(j). Once the Board has authorized the Company Proposal, we will notify the Staff by a supplemental letter. The Staff has consistently granted no-action requests pursuant to Rule 14a-8(i)(9) in circumstances where a company's initial no-action request letter indicated that the company intended to take certain actions, and the company followed this initial submission with a supplemental notification to the Staff confirming that such action had been taken and a proposal would be put before the company's shareholders to ratify the Board action that would directly conflict with the shareholder proposal at issue. *See, e.g., Illumina, Inc.* (March 18, 2016) (in which the Staff concurred in exclusion of a proposal requesting to eliminate and replace supermajority provisions in the company's charter and bylaws with a simple majority voting standard, where the company indicated in its initial no-action request letter that its board was expected to approve, and confirmed in a supplemental letter to the Staff that its board had approved, a proposal to seek ratification of existing bylaw and charter provisions related to the company's existing supermajority voting requirements at the same annual meeting).

Based on the foregoing, the Company believes that the Shareholder Proposal may properly be excluded from its 2019 Proxy Materials under Rule 14a-8(i)(9).

* * *

The Company respectfully requests the Staff's concurrence with its decision to omit the Shareholder Proposal from the 2019 Proxy Materials and further requests confirmation that the Staff will not recommend any enforcement action. Please call the undersigned at (650) 752-2011 if you should have any questions or need additional information or as soon as a Staff response is available.

Respectfully yours,



Sarah K. Solum

Attachment

cc w/ att: Kenneth Steiner/John Chevedden
Ray Veldman (Leidos Holdings, Inc.)

EXHIBIT A

Kenneth Steiner

Mr. Daniel J. Antal
Corporate Secretary
Leidos Holdings, Inc. (LDOS)
11951 Freedom Drive
Reston, VA 20190
PH: 571-526-6000
PH: 571-526-6302
FX: 571-526-7955

Dear Mr. Antal,

I purchased stock in our company because I believed our company had potential for improved performance. My attached Rule 14a-8 proposal is submitted in support of the long-term performance of our company. This Rule 14a-8 proposal is submitted as a low-cost method to improve company performance.

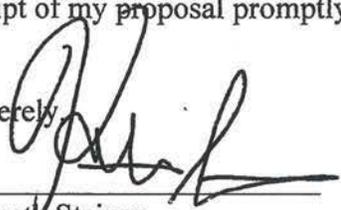
My proposal is for the next annual shareholder meeting. I will meet Rule 14a-8 requirements including the continuous ownership of the required stock value until after the date of the respective shareholder meeting. My submitted format, with the shareholder-supplied emphasis, is intended to be used for definitive proxy publication. This is my proxy for John Chevedden and/or his designee to forward this Rule 14a-8 proposal to the company and to act on my behalf regarding this Rule 14a-8 proposal, and/or modification of it, for the forthcoming shareholder meeting before, during and after the forthcoming shareholder meeting. Please direct all future communications regarding my rule 14a-8 proposal to John Chevedden

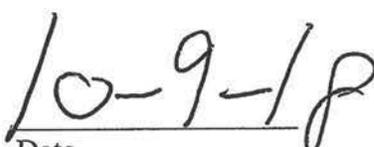
(PH: _____ at:

to facilitate prompt and verifiable communications. Please identify this proposal as my proposal exclusively.

This letter does not cover proposals that are not rule 14a-8 proposals. This letter does not grant the power to vote. Your consideration and the consideration of the Board of Directors is appreciated in support of the long-term performance of our company. Please acknowledge receipt of my proposal promptly by email to

Sincerely,


Kenneth Steiner


Date

cc: John P. Sweeney <ir@leidos.com>

[LDOS: Rule 14a-8 Proposal, October 22, 2018]
[This line and any line above it – *Not* for publication.]

Proposal [4] – Simple Majority Vote

RESOLVED, Shareholders request that our board take each step necessary so that each voting requirement in our charter and bylaws (that is explicit or implicit due to default to state law) that calls for a greater than simple majority vote be eliminated, and replaced by a requirement for a majority of the votes cast for and against applicable proposals, or a simple majority in compliance with applicable laws. If necessary this means the closest standard to a majority of the votes cast for and against such proposals consistent with applicable laws.

Shareholders are willing to pay a premium for shares of companies that have excellent corporate governance. Supermajority voting requirements have been found to be one of 6 entrenching mechanisms that are negatively related to company performance according to “What Matters in Corporate Governance” by Lucien Bebchuk, Alma Cohen and Allen Ferrell of the Harvard Law School. Supermajority requirements are used to block initiatives supported by most shareowners but opposed by a status quo management.

This proposal topic won from 74% to 88% support at Weyerhaeuser, Alcoa, Waste Management, Goldman Sachs, FirstEnergy, McGraw-Hill and Macy’s. The proponents of these proposals included Ray T. Chevedden and William Steiner. The votes would have been higher than 74% to 88% if all shareholders had ready access to independent voting advice.

Currently a 1%-minority can frustrate the will of our 66%-shareholder majority. In other words a 1%-minority could have the power to prevent shareholders from making an overdue change. This can be particularly important during periods of management underperformance and/or an economic downturn.

Please yes:

Simple Majority Vote – Proposal [4]

[The above line – *Is* for publication.]

Kenneth Steiner,

sponsors this proposal.

Notes:

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. Please acknowledge this proposal promptly by email

Solomon, Billie

From: Veldman, Ray <RAYMOND.L.VELDMAN@leidos.com>
Sent: Tuesday, November 6, 2018 10:11 AM
To: ***
Subject: Leidos Holdings, Inc. - Stockholder Proposal
Attachments: Rule 14a-8.pdf

Dear Mr. Chevedden,

This communication is to acknowledge our receipt of the Rule 14a-8 proposal captioned "Simple Majority Vote" which was submitted by Kenneth Steiner and which requests that communications regarding the proposal be directed to you.

We note that the proposal submission did not include documentation evidencing the proponent's satisfaction of the ownership requirements set forth in Rule 14a-8(b), which require a proponent to have continuously held at least \$2,000 in market value, or 1% of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date the proposal is submitted. Accordingly, please provide, within 14 calendar days, written documentation from the record holder of the securities verifying that, at the time the proposal was submitted, the proponent continuously held the requisite securities for at least one year. A copy of Rule 14a-8 is attached for reference.

Sincerely,

Ray Veldman | Leidos Legal

Senior Vice President, Deputy General Counsel
and Corporate Secretary
phone: 571.526.6302
mobile: 571.268.2288



Solomon, Billie

From: ***
Sent: Friday, November 9, 2018 1:01 PM
To: Veldman, Ray
Cc: Daniel J. Antal
Subject: EXTERNAL: Rule 14a-8 Proposal (LDOS) blb
Attachments: CCE09112018_4.pdf

Mr. Veldman,
Please see the attached letter.
Sincerely,
John Chevedden



Ameritrade

11/09/2018

Kenneth Steiner

Re: Your TD Ameritrade Account Ending in *** in TD Ameritrade Clearing Inc DTC #0188

Dear Kenneth Steiner,

Thank you for allowing me to assist you today. As you requested, this letter confirms that, as of close of business on November 8, 2018, you have continuously held no less than 300 shares of each of the following stocks in the above referenced account since June 1, 2017:

Lincoln National Corporation (LNC)
NASDAQ, Inc. (NDAQ)
Valley National Bancorp (VLY)
Leidos Holdings, Inc. (LDOS)
Textron Inc. (TXT)

If we can be of any further assistance, please let us know. Just log in to your account and go to the Message Center to write us. You can also call Private Client Services at 800-400-4078. We're available 24 hours a day, seven days a week.

Sincerely,

Jennifer Hickman
Resource Specialist
TD Ameritrade

This information is furnished as part of a general information service and TD Ameritrade shall not be liable for any damages arising out of any inaccuracy in the information. Because this information may differ from your TD Ameritrade monthly statement, you should rely only on the TD Ameritrade monthly statement as the official record of your TD Ameritrade account.

Market volatility, volume, and system availability may delay account access and trade executions.

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Solomon, Billie

From: Veldman, Ray <RAYMOND.L.VELDMAN@leidos.com>
Sent: Monday, November 12, 2018 8:28 AM
To: ***
Cc: Daniel J. Antal
Subject: RE: Rule 14a-8 Proposal (LDOS) blb

Mr. Chevedden,

We have received the letter evidencing Mr. Steiner's ownership of LDOS shares. Thank you.

Ray Veldman | Leidos Legal
Senior Vice President, Deputy General Counsel and Corporate Secretary
phone: 571.526.6302
mobile: 571.268.2288

-----Original Message-----

From: ***
Sent: Friday, November 9, 2018 4:01 PM
To: Veldman, Ray L. [US-US] <RAYMOND.L.VELDMAN@leidos.com>
Cc: Daniel J. Antal <danielj.antal@leidos.com>
Subject: EXTERNAL: Rule 14a-8 Proposal (LDOS) blb

Mr. Veldman,
Please see the attached letter.
Sincerely,
John Chevedden

Solomon, Billie

From: ***
Sent: Monday, November 12, 2018 9:02 AM
To: Veldman, Ray
Cc: Daniel J. Antal
Subject: EXTERNAL: Rule 14a-8 Proposal (LDOS) blb

Good.