

December 3, 2020

**VIA E-MAIL ([shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov))**

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

Re: Hewlett Packard Enterprise Company  
Stockholder Proposal of John Chevedden

Dear Ladies and Gentlemen:

We, Hewlett Packard Enterprise Company, a Delaware corporation (the “**Company**”), submit this letter requesting confirmation that the staff (the “**Staff**”) of the Division of Corporation Finance of the U.S. Securities and Exchange Commission (the “**Commission**”) will not recommend enforcement action to the Commission if, in reliance on Rule 14a-8 under the Securities Exchange Act of 1934 (the “**Exchange Act**”), the Company omits the attached stockholder proposal (the “**Proposal**”) submitted by John Chevedden (the “**Proponent**”) from the Company’s proxy materials for its 2021 Annual Meeting of Stockholders (the “**2021 Proxy Materials**”).

Pursuant to Rule 14a-8(j) under the Exchange Act, we have:

- filed this letter with the Commission no later than eighty (80) calendar days before the Company intends to file its definitive 2021 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponent.

A copy of the Proposal and the Proponent’s cover letter submitting the Proposal are attached hereto as Exhibit A. Additionally, the Company’s notice of deficiency and other correspondence relating to the Proposal are attached hereto as Exhibit B.

Pursuant to the guidance provided in Section F of Staff Legal Bulletin No. 14F (Oct. 18, 2011) (“SLB 14F”), we ask that the Staff provide its response to this request to Derek Windham, on behalf of the Company, via email at [derek.windham@hpe.com](mailto:derek.windham@hpe.com), and to the Proponent, John Chevedden, via email at

\*\*\*

## I. SUMMARY OF THE PROPOSAL

On October 18, 2020, the Company received from the Proponent the Proposal for inclusion in the Company’s 2021 Proxy Materials. The first paragraph of the Proposal reads:

*Shareholders request that our board of directors undertake such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This includes shareholder ability to initiate any appropriate topic for written consent.*

## II. EXCLUSION OF PROPOSAL

### ***A. Bases for Excluding the Proposal***

As discussed in more detail below, we respectfully request that the Staff concur with the Company's view that it may properly omit the Proposal from its 2021 Proxy Materials on the following bases:

- Rule 14a-8(f)(1), because the Proponent failed to provide documentary support sufficiently demonstrating that he satisfied the minimum ownership requirement for the one-year period as required by Rule 14a-8(b) in response to the Company's proper request for that information; and
- Rule 14a-8(e), because the Company did not receive the Proposal from the Proponent before the deadline for stockholder proposals to the Company for inclusion in the 2021 Proxy Materials.

### ***B. The Proposal May be Omitted in Reliance on Rule 14a-8(f)(1) Because the Proponent Failed to Provide Sufficient Proof of Ownership to Satisfy the Minimum Share Ownership Requirements of Rule 14a-8(b)***

The Company may exclude the Proposal under Rule 14a-8(f)(1) because the Proponent failed to substantiate his eligibility to submit the Proposal in compliance with Rule 14a-8. Rule 14a-8(b)(1) provides, in part, that "[i]n order to be eligible to submit a proposal, a stockholder must 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 stockholder submit[s] the proposal." Staff Legal Bulletin No. 14 (July 13, 2001) ("SLB 14") specifies that when the stockholder is not the registered holder, the stockholder "is responsible for proving his or her eligibility to submit a proposal to the company," which the stockholder may do by one of the two ways provided in Rule 14a-8(b)(2). See Section C.1.c., SLB 14. Under Rule 14a-8(f)(1), a company may exclude a stockholder proposal from the company's proxy materials if the proponent fails to provide evidence that it meets the eligibility requirements of Rule 14a-8(b)(1). Such exclusion is permissible only when the company provides the proponent with timely notice of such deficiency and the proponent fails to correct the deficiency within 14 calendar days from the date the proponent received the company's notification.

As will be demonstrated below, the Proponent has failed to provide sufficient proof of ownership to support the Proposal because he does not own the minimum market value of Company shares as required by Rule 14a-8(b). In pertinent part, the Proponent failed to provide evidence demonstrating that he has held the requisite amount Company shares continuously for at least one year preceding and including October 18, 2020, which is the date the Proposal was submitted by the Proponent

The Company received the Proposal, via email only, on October 18, 2020. See Exhibit A. The original submission of the Proposal did not include any proof of ownership. In addition, the Company reviewed its stock records and confirmed that the Proponent was not a record owner of Company shares. Accordingly, the Company timely sent a deficiency letter to the Proponent concurrently via overnight mail and electronic transmission. The deficiency letter was sent on October 28, 2020 as indicated in Exhibit B. Among other topics, the deficiency letter clearly identified the lack of evidence of the Proponent's share ownership and provided a description of evidence which would be sufficient consistent with SLB 14F. Specifically, the deficiency letter stated:

- the ownership requirements of Rule 14a-8(b);

- that, according to the Company's stock records, the Proponent was not a record owner of sufficient shares;
- the type of statement or documentation necessary to demonstrate beneficial ownership under Rule 14a-8(b), including "a written statement from the 'record' holder of [the Proponent's] shares (usually a broker or a bank) verifying that [the Proponent] continuously held the required number or amount of Company shares for the one-year period preceding and including October 18, 2020," the date the Proposal was submitted to the Company; and
- that any response had to be postmarked or transmitted electronically no later than 14 calendar days from the date the Proponent received the deficiency notice.

On October 31, 2020, the Company received via email a revised Proposal from the Proponent, but such correspondence still did not contain any proof of ownership. See Exhibit B. Subsequently, on November 5, 2020, the Company received via email a broker letter from the Proponent, attached as Exhibit C. However this proof of ownership is deficient because it merely establishes that the Proponent has continuously owned 150 Company shares for the requisite one-year period, which have a market value of less than \$2,000. The Company has received no further correspondence from the Proponent regarding his proof of share ownership.

Rule 14a-8(b) provides that, in order to be eligible to submit a proposal, a stockholder must 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 [company's meeting of stockholders] for at least one year by the date [the stockholder] submit[ted] the proposal." (Emphasis added). In SLB 14, the Staff stated that to determine whether a stockholder satisfied the minimum share ownership requirement, the Staff looks "at whether, on any date within the 60 calendar days before the date the shareholder submits the proposal, the shareholder's investment is valued at \$2,000 or greater, based on the average of the bid and ask prices." SLB 14 goes on to clarify that, since "bid and ask prices are not provided for companies listed on the New York Stock Exchange", which is where the Company's shares are listed, "companies and shareholders should determine the market value by multiplying the number of securities the shareholder held for the one-year period by the highest selling price during the 60 calendar days before the shareholder submitted the proposal."

During the 60 calendar days preceding and including October 18, 2020, the date on which the Proponent submitted the Proposal, the highest selling price was \$10.07 on October 8, 2020. The Proponent's broker letter confirmed that the Proponent has held no fewer than 150 shares of the Company since October 1, 2018. Multiplying the highest selling price by the number of shares stated as held by the Proponent in the broker letter, the market value of the Proponent's securities is \$1,510.50, which does not meet the \$2,000 minimum value required by Rule 14a-8(b). In addition, as stated in the Company's Form 10-Q for the quarterly period ended July 31, 2020, as of August 31, 2020 there were 1,286,383,563 shares of the Company's common stock outstanding. The 150 shares held by the Proponent represent less than 1% of the Company's securities entitled to be voted at the next annual meeting of stockholders. Accordingly, the Proponent has not demonstrated his continuous ownership of at least \$2,000 in market value, or 1%, of the Company's securities.

The Staff has consistently concurred in the exclusion of Proposals under Rule 14a-8(f) where the proponent has failed to provide satisfactory evidence of continuous ownership of at least \$2,000 in market value, or 1%, of the company's securities, as required by Rule 14a-8(b). See, e.g., *QEP Resources, Inc.* (avail. Dec. 27, 2017) (concurring with the exclusion of a proposal where the proponent held 200 shares and the market value of those shares was \$1,854.00); *American Airlines Group Inc.* (avail. Feb. 20, 2015) (concurring with the exclusion of a proposal where the proponent held

35 shares and the market value of those shares was \$1,800.23); *Coca-Cola Co.* (avail. Dec. 16, 2014) (concurring with the exclusion of a proposal where the proponent held 40 shares and the market value of these shares was \$1,794.80); *PulteGroup, Inc.* (avail. Jan. 6, 2012) (concurring with the exclusion of a proposal where the proponent held 246 shares and the market value of these shares was \$1,552.26).

It is well established that where a company provides proper notice of a procedural defect to a proponent and the proponent's response fails to cure the defect, the company is not required to provide any further opportunities for the proponent to cure. In fact, Section C.6. of SLB 14 states that a company may exclude a proposal pursuant to Rule 14a-8(b) and Rule 14a-8(f)(1) if "the shareholder timely responds but does not cure the eligibility or procedural defect(s)." For example, in *PDL BioPharma, Inc.* (avail. Mar. 1, 2019), the proponent submitted a proposal without any accompanying proof of ownership, and the broker letter sent in response to the company's timely deficiency notice failed to establish that the proponent owned the requisite minimum number of shares. The Staff concurred with exclusion under Rule 14a-8(f) even though the company did not send a second deficiency notice to the proponent, who still had several days remaining in the 14-day cure period. See also *American Airlines Group, Inc.* (avail. Feb. 20, 2015); *Coca-Cola Co. (James McRitchie and Myra Young)* (avail. Dec. 16, 2014); *Union Pacific Corp.* (avail. Jan. 29, 2010) (each concurring with the exclusion of a stockholder proposal where the proponent(s) submitted ownership proof which failed to satisfy the ownership requirements of Rule 14a-8(b) within seven, nine, or three days, respectively, following receipt of the company's timely deficiency notice, and the company did not send a second deficiency notice). Likewise, upon receipt of the Proponent's broker letter on November 5, 2020, 8 days after the Proponent's receipt of the Company's timely and proper deficiency letter, the Company was under no obligation to provide the Proponent with another deficiency notice regarding or any additional time to cure the deficiency that remained.

Accordingly, consistent with the precedent cited above, because the Proponent has failed to provide proof of ownership demonstrating that he has owned at least \$2,000 in market value, or 1%, of the Company's securities for the requisite period by the date he submitted the Proposal, after being properly notified of the deficiency, we believe the Proposal may properly be excluded from the 2021 Proxy Materials pursuant to Rule 14a-8(f)(1).

***C. Alternative Basis for Exclusion – The Proposal May Be Omitted in Reliance on Rule 14a-8(e) Because the Company Did Not Receive the Proposal Until After the Deadline for Submitting Stockholder Proposals to the Company for Inclusion in the 2021 Proxy Materials***

Rule 14a-8(e)(2) provides that stockholder proposals submitted with respect to a company's regularly scheduled annual meeting must be received at a company's principal executive offices no less than 120 calendar days before the anniversary date of the company's proxy statement that was released to stockholders in connection with the previous year's annual meeting. Calculated in accordance Staff guidance set forth in Section C.3.b of SLB 14, the Company's proxy statement for its 2020 Annual Meeting of Stockholders was filed on February 13, 2020, as recorded on the [SEC's website](#). In addition, the Company's proxy statement for its 2020 Annual Meeting of Stockholders (the "**2020 Proxy Materials**") states that the proxy statement along with various notices were distributed and made available on or about February 13, 2020. The anniversary date of the Company's proxy statement for its 2020 Annual Meeting of Stockholders is, therefore, February 13, 2021. 120 calendar days before February 13, 2021 is Friday, October 16, 2020. This October 16, 2020 submission deadline was also disclosed explicitly in the 2020 Proxy Materials as required by Item 1(c) of Exchange Act Schedule 14A and Exchange Act Rule 14a-5(e). Specifically, the following disclosure appeared on page 104 of the Company's 2020 Proxy Materials;

**"What is the deadline to propose actions (other than director nominations) for consideration at next year's annual meeting of stockholders?"**

You may submit proposals for consideration at future stockholder meetings. For a stockholder proposal to be considered for inclusion in our proxy statement for the annual meeting next year, the Corporate Secretary must receive the written proposal at our principal executive offices no later than October 16, 2020. Such proposals also must comply with SEC regulations under Rule 14a-8 regarding the inclusion of stockholder proposals in company-sponsored proxy materials. Proposals should be addressed to:

Corporate Secretary  
Hewlett Packard Enterprise Company  
6280 America Center Drive  
San Jose, California 95002  
Fax: 1-650-857-4837  
bod-hpe@hpe.com”

Under Rule 14a-8(e)(2), a meeting is "regularly scheduled" if it has not changed by more than 30 days from the date of the annual meeting held in the prior year. The Company's 2020 Annual Meeting of Stockholders was held on April 1, 2020. The Company's 2021 Annual Meeting of Stockholders is scheduled to be held on April 14, 2021, which is within 30 days of the 2020 meeting date. Accordingly, the deadline of October 16, 2020 set forth in the Company's 2020 Proxy Materials for a regularly scheduled annual meeting applies to stockholder proposals for the 2021 Annual Meeting of Stockholders.

All of this means that in order for the Proponent's submission to be timely, it was required to be received by the Company on or before October 16, 2020. As noted above and as shown in Exhibit A, the Proposal was not received until October 18, 2020 by electronic transmission, and the cover letter accompanying the Proposal is signed and dated October 18, 2020. The Proposal was thereby received by the Company two days after the Rule 14a-8(e)(2) deadline.

Based upon both Staff guidance and previous responses to no-action requests, the Staff has made it abundantly clear that the deadline for stockholder proposal submissions under Rule 14a-8 is to be strictly construed. See, e.g., *DTE Energy Company (Moore)* (avail. Dec. 18, 2018) (concurring with the exclusion of a proposal received two days after the submission deadline); *Verizon Communications, Inc.* (avail. Jan. 4, 2018) (concurring with the exclusion of a proposal received one day after the submission deadline); *Wal-Mart Stores Inc.* (avail. Feb. 13, 2017) (concurring with the exclusion of a proposal received six days after the submission deadline); *Applied Materials, Inc.* (avail. Nov. 20, 2014) (concurring with the exclusion of a proposal received one day after the submission deadline); *General Electric Company* (avail. Jan. 24, 2013) (concurring with the exclusion of a proposal received one day after the submission deadline); *Tootsie Roll Industries, Inc.* (avail. Jan. 14, 2008) (concurring with the exclusion of a proposal received two days after the submission deadline). The Staff has also emphasized this point in SLB 14 by advising, "[t]o avoid exclusion on the basis of untimeliness, a shareholder should submit his or her proposal well in advance of the deadline. . . ." Because the Company clearly disclosed in its 2020 Proxy Materials the deadline of October 16, 2020 for receipt of stockholder proposals for its 2021 Annual Meeting of Stockholders, as well as the address for submitting those proposals, and since the Proposal was received two days after the Company's deadline for submissions, consistent with the foregoing precedent, the Proposal is excludable pursuant to Rule 14a-8(e)(2) as untimely.

### III. CONCLUSION

Based on the foregoing analysis, the Company respectfully requests confirmation that the Staff will not recommend enforcement action to the Commission if it excludes the Proposal from its 2021 Proxy Materials. If we can be of further assistance, please do not hesitate to contact me at [derek.windham@hpe.com](mailto:derek.windham@hpe.com).

Sincerely,

A handwritten signature in black ink, appearing to read 'Derek Windham', with a long horizontal flourish extending to the right.

Derek Windham  
Vice President, Assistant  
Corporate Secretary, and  
Associate General Counsel  
Corporate Securities & Finance

Cc John Chevedden

Attachments:  
Exhibit A  
Exhibit B  
Exhibit C

**Exhibit A**

**From:** [John Chevedden](#)  
**To:** [BOD-HPE@hpe.com](mailto:BOD-HPE@hpe.com)  
**Cc:** [Windham, Derek](#); [Epstein, Linda](#)  
**Subject:** Rule 14a-8 Proposal (HPE) ^`  
**Date:** Sunday, October 18, 2020 8:15:29 PM  
**Attachments:** [18102020\\_6.pdf](#)

---

Mr. Schultz ,

Please see the attached rule 14a-8 proposal to improve corporate governance and enhance long-term shareholder value at de minimis up-front cost – especially considering the substantial market capitalization of the company.

Please acknowledge proposal receipt by next day email.

Sincerely,  
John Chevedden

JOHN CHEVEDDEN

\*\*\*

\*\*\*

Mr. John F. Schultz  
Corporate Secretary  
Hewlett Packard Enterprise Company (HPE)  
6280 America Center Drive  
San Jose, California 95002  
PH: 650-687-5817  
FX: 650-857-4837

Dear Mr. Schultz,

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 annual shareholder meeting. Rule 14a-8 requirements will be met including the continuous ownership of the required stock value until after the date of the respective shareholder meeting and presentation of the proposal at the annual meeting. This submitted format, with the shareholder-supplied emphasis, is intended to be used for definitive proxy publication.

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 this proposal by email to <sup>\*\*\*</sup> by next day email.

Sincerely,

  
John Chevedden

October 18, 2020  
Date

cc: Derek Windham <derek.windham@hpe.com>  
Linda Epstein <linda.epstein@hpe.com>

[HPE: 2020 Rule 14a-8 Proposal]

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

**Proposal 4 – Shareholder Right to Act by Written Consent**

Shareholders request that our board of directors undertake such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This includes shareholder ability to initiate any appropriate topic for written consent.

Taking action by written consent in place of a meeting is a means shareholders can use to raise important matters outside the normal annual meeting cycle like the election of a new director.

This proposal topic won 88%-support at an AT&T annual meeting. And this was before the shareholder right to call a special in-person shareholder meeting was eliminated by the 2020 pandemic. HPE management put up a smoke screen of outlandish theoretical objections to this proposal topic in 2019 but failed to give a single example of its theoretical objections ever taking place at any company whatsoever. HPE shareholders responded with 46%-support which is a majority from the HPE shares that have access to independent proxy voting advice.

The Bank of New York Mellon Corporation (BK) said it adopted written consent in 2019 after 45%-support (clearly less than the HPE 46%-vote) for a written consent shareholder proposal. And this BK action was a year before the pandemic put an end to in-person shareholder meetings – perhaps forever. It is so much easier for management to conduct an internet shareholder meeting that management is now spoiled and will never want to return to an in-person shareholder meeting.

Shareholders need to be able to accomplish more outside of a shareholder meeting due to the onslaught of internet shareholder meetings replacing in-person shareholder meetings.

With the near universal use of internet annual shareholder meetings starting in 2020 shareholders no longer have the right to discuss concerns with other shareholders and with their directors at a shareholder meeting. Shareholder meetings can now be internet meetings which has an inferior format to even a Zoom meeting.

Shareholders are also severely restricted in making their views known at internet shareholder meetings because all challenging questions and comments can be prescreened. And if management prescreening has a malfunction then the management mute button can be deployed.

For instance Goodyear management is an example of turning an internet shareholder meeting into a mute button meeting. Goodyear management hit the mute button right in the middle of a formal shareholder proposal presentation at its 2020 shareholder meeting. With a deep slumping stock price Goodyear management simply did not want shareholders to hear constructive criticism.

Plus AT&T management would not even allow the proponents of shareholder proposals to read their proposals by telephone at the 2020 AT&T internet annual meeting.

Please see:

AT&T investors denied a dial-in as annual meeting goes online

<https://whbl.com/2020/04/17/att-investors-denied-a-dial-in-as-annual-meeting-goes-online/1007928/>

Shareholders now need to have the option more than ever to take action outside of a shareholder meeting since internet shareholder meetings are devoid of significance.

Please vote yes:

**Shareholder Right to Act by Written Consent – Proposal 4**

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

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

[ \*\*\* ].

**Exhibit B**

**From:** [Windham, Derek](#)  
**To:** [John Chevedden](#)  
**Subject:** RE: Rule 14a-8 Proposal (HPE)``  
**Date:** Wednesday, October 28, 2020 5:53:00 PM  
**Attachments:** [HPE Deficiency Notice to Chevedden-signed.pdf](#)  
[Rule.14a-8.and.SLB.14F.pdf](#)

---

Please see attached response to your letter from October 18, 2020.

**Derek Windham**

*Vice President, Associate General Counsel*  
*Corporate, Securities and Finance*  
Hewlett Packard Enterprise Company  
[derek.windham@hpe.com](mailto:derek.windham@hpe.com)  
6280 America Center Drive  
San Jose, CA  
95002

---

**From:** John Chevedden [mailto:\*\*\* ]  
**Sent:** Sunday, October 18, 2020 8:15 PM  
**To:** BOD-HPE@hpe.com  
**Cc:** Windham, Derek <derek.windham@hpe.com>; Epstein, Linda <linda.epstein@hpe.com>  
**Subject:** Rule 14a-8 Proposal (HPE)``

Mr. Schultz ,

Please see the attached rule 14a-8 proposal to improve corporate governance and enhance long-term shareholder value at de minimis up-front cost – especially considering the substantial market capitalization of the company.

Please acknowledge proposal receipt by next day email.

Sincerely,  
John Chevedden

October 28, 2020

**Via Overnight Mail and Email**

Mr. John Chevedden

\*\*\*

**Derek Windham**

Vice President, Assistant Corporate Secretary, and  
Associate General Counsel  
Corporate, Securities and Finance

derek.windham@hpe.com  
+1 650 236 7004 Office

Dear Mr. Chevedden,

I am writing on behalf of Hewlett Packard Enterprise Company (the "Company"), which received on October 18, 2020, your stockholder proposal entitled "Shareholder Right to Act by Written Consent" submitted pursuant to Securities and Exchange Commission ("SEC") Rule 14a-8 for inclusion in the proxy statement for the Company's 2021 Annual Meeting of Stockholders (the "Proposal"). The Proposal contains certain procedural deficiencies, which SEC regulations require us to bring to your attention.

**No Proof of Ownership**

Rule 14a-8(b) of the Exchange Act (the "Exchange Act") provides that stockholder proponents must submit sufficient proof of their continuous ownership of at least \$2,000 in market value, or 1%, of a company's shares entitled to vote on the proposal for at least one year as of the date the stockholder proposal was submitted. The Company's stock records do not indicate that you are the record owner of sufficient shares to satisfy this requirement. In addition, to date, we have not received proof that you have satisfied Rule 14a-8's ownership requirements as of the date that the Proposal was submitted to the Company.

To remedy this defect, you must submit sufficient proof of your continuous ownership of the required number or amount of Company shares for the one-year period preceding and including October 18, 2020, the date the Proposal was submitted to the Company. As explained in Rule 14a-8(b) and in SEC staff guidance, sufficient proof must be in the form of:

- (1) a written statement from the "record" holder of your shares (usually a broker or a bank) verifying that you continuously held the required number or amount of Company shares for the one-year period preceding and including October 18, 2020; or



# Hewlett Packard Enterprise

## Derek Windham

Vice President, Assistant Corporate Secretary, and  
Associate General Counsel  
Corporate, Securities and Finance

derek.windham@hpe.com  
+1 650 236 7004 Office

- (2) if you have filed with the SEC a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5, or amendments to those documents or updated forms, reflecting your ownership of the required number or amount of Company shares as of or before the date on which the one-year eligibility period begins, a copy of the schedule and/or form, and any subsequent amendments reporting a change in the ownership level and a written statement that you continuously held the required number or amount of Company shares for the one-year period.

If you intend to demonstrate ownership by submitting a written statement from the "record" holder of your shares as set forth in (1) above, please note that most large U.S. brokers and banks deposit their customers' securities with, and hold those securities through, the Depository Trust Company ("DTC"), a registered clearing agency that acts as a securities depository (DTC is also known through the account name of Cede & Co.). Under SEC Staff Legal Bulletin No. 14F, only DTC participants are viewed as record holders of securities that are deposited at DTC. You can confirm whether your broker or bank is a DTC participant by asking your broker or bank or by checking DTC's participant list, which is available at <http://www.dtcc.com/~media/Files/Downloads/client-center/DTC/alpha.ashx>. In these situations, stockholders need to obtain proof of ownership from the DTC participant through which the securities are held, as follows:

- (1) If your broker or bank is a DTC participant, then you need to submit a written statement from your broker or bank verifying that you continuously held the required number or amount of Company shares for the one-year period preceding and including October 18, 2020.
- (2) If your broker or bank is not a DTC participant, then you need to submit proof of ownership from the DTC participant through which the shares are held verifying that you continuously held the required number or amount of Company shares for the one-year period preceding and including October 18, 2020. You should be able to find out the identity of the DTC participant by asking your broker or bank. If your broker is an introducing broker, you may also be able to learn the identity and telephone number of the DTC participant through your account statements, because the clearing broker identified on your account statements will generally be a DTC participant. If the DTC participant



**Derek Windham**

Vice President, Assistant Corporate Secretary, and  
Associate General Counsel  
Corporate, Securities and Finance

derek.windham@hpe.com  
+1 650 236 7004 Office

that holds your shares is not able to confirm your individual holdings but is able to confirm the holdings of your broker or bank, then you need to satisfy the proof of ownership requirements by obtaining and submitting two proof of ownership statements verifying that, for the one-year period preceding and including October 18, 2020, the required number or amount of Company shares were continuously held: (i) one from your broker or bank confirming your ownership, and (ii) the other from the DTC participant confirming the broker or bank's ownership.

**Exceeds Word Limit**

Additionally, Rule 14a-8(d) of the Exchange Act requires that any stockholder proposal, including any accompanying supporting statement, not exceed 500 words. The Proposal, including the supporting statement, exceeds 500 words. In reaching this conclusion, we have counted percent symbols as words and have counted undefined acronyms and HPE: hyphenated terms as multiple words. To remedy this defect, you must revise the Proposal so that it does not exceed 500 words.

The SEC's rules require that any response to this letter be postmarked or transmitted electronically no later than 14 calendar days from the date you receive this letter. Please transmit your response by email to me at derek.windham@hpe.com.

If you have any questions with respect to the foregoing, please contact me at 650-236-8152. For your reference, I enclose a copy of Rule 14a-8 and Staff Legal Bulletin No. 14F.

Sincerely,

Derek Windham  
Vice President, Assistant Corporate Secretary, and Associate  
General Counsel  
Corporate, Securities and Finance

## Rule 14a-8 – Shareholder Proposals

---

This section addresses when a company must include a shareholder's proposal in its proxy statement and identify the proposal in its form of proxy when the company holds an annual or special meeting of shareholders. In summary, in order to have your shareholder proposal included on a company's proxy card, and included along with any supporting statement in its proxy statement, you must be eligible and follow certain procedures. Under a few specific circumstances, the company is permitted to exclude your proposal, but only after submitting its reasons to the Commission. We structured this section in a question-and-answer format so that it is easier to understand. The references to "you" are to a shareholder seeking to submit the proposal.

(a) *Question 1: What is a proposal?* A shareholder proposal is your recommendation or requirement that the company and/or its board of directors take action, which you intend to present at a meeting of the company's shareholders. Your proposal should state as clearly as possible the course of action that you believe the company should follow. If your proposal is placed on the company's proxy card, the company must also provide in the form of proxy means for shareholders to specify by boxes a choice between approval or disapproval, or abstention. Unless otherwise indicated, the word "proposal" as used in this section refers both to your proposal, and to your corresponding statement in support of your proposal (if any).

(b) *Question 2: Who is eligible to submit a proposal, and how do I demonstrate to the company that I am eligible?*

(1) In order to be eligible to submit a proposal, you must 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 you submit the proposal. You must continue to hold those securities through the date of the meeting.

(2) If you are the registered holder of your securities, which means that your name appears in the company's records as a shareholder, the company can verify your eligibility on its own, although you will still have to provide the company with a written statement that you intend to continue to hold the securities through the date of the meeting of shareholders. However, if like many shareholders you are not a registered holder, the company likely does not know that you are a shareholder, or how many shares you own. In this case, at the time you submit your proposal, you must prove your eligibility to the company in one of two ways:

(i) The first way is to submit to the company a written statement from the "record" holder of your securities (usually a broker or bank) verifying that, at the time you submitted your proposal, you continuously held the securities for at least one year. You must also include your own written statement that you intend to continue to hold the securities through the date of the meeting of shareholders; or

(ii) The second way to prove ownership applies only if you have filed a Schedule 13D (§240.13d-101), Schedule 13G (§240.13d-102), Form 3 (§249.103 of this chapter), Form 4 (§249.104 of this chapter) and/or Form 5 (§249.105 of this chapter), or amendments to those documents or updated forms, reflecting your ownership of the shares as of or before the date on which the one-year eligibility period begins. If you have filed one of these documents with the SEC, you may demonstrate your eligibility by submitting to the company:

(A) A copy of the schedule and/or form, and any subsequent amendments reporting a change in your ownership level;

(B) Your written statement that you continuously held the required number of shares for the one-year period as of the date of the statement; and

(C) Your written statement that you intend to continue ownership of the shares through the date of the company's annual or special meeting.

(c) *Question 3:* How many proposals may I submit? Each shareholder may submit no more than one proposal to a company for a particular shareholders' meeting.

(d) *Question 4:* How long can my proposal be? The proposal, including any accompanying supporting statement, may not exceed 500 words.

(e) *Question 5:* What is the deadline for submitting a proposal?

(1) If you are submitting your proposal for the company's annual meeting, you can in most cases find the deadline in last year's proxy statement. However, if the company did not hold an annual meeting last year, or has changed the date of its meeting for this year more than 30 days from last year's meeting, you can usually find the deadline in one of the company's quarterly reports on Form 10-Q (§249.308a of this chapter), or in shareholder reports of investment companies under §270.30d-1 of this chapter of the Investment Company Act of 1940. In order to avoid controversy, shareholders should submit their proposals by means, including electronic means, that permit them to prove the date of delivery.

(2) The deadline is calculated in the following manner if the proposal is submitted for a regularly scheduled annual meeting. The proposal must be received at the company's principal executive offices not less than 120 calendar days before the date of the company's proxy statement released to shareholders in connection with the previous year's annual meeting. However, if the company did not hold an annual meeting the previous year, or if the date of this year's annual meeting has been changed by more than 30 days from the date of the previous year's meeting, then the deadline is a reasonable time before the company begins to print and send its proxy materials.

(3) If you are submitting your proposal for a meeting of shareholders other than a regularly scheduled annual meeting, the deadline is a reasonable time before the company begins to print and send its proxy materials.

(f) *Question 6:* What if I fail to follow one of the eligibility or procedural requirements explained in answers to Questions 1 through 4 of this section?

(1) The company may exclude your proposal, but only after it has notified you of the problem, and you have failed adequately to correct it. Within 14 calendar days of receiving your proposal, the company must notify you in writing of any procedural or eligibility deficiencies, as well as of the time frame for your response. Your response must be postmarked, or transmitted electronically, no later than 14 days from the date you received the company's notification. A company need not provide you such notice of a deficiency if the deficiency cannot be remedied, such as if you fail to submit a proposal by the company's properly determined deadline. If the company intends to exclude the proposal, it will later have to make a submission under §240.14a-8 and provide you with a copy under Question 10 below, §240.14a-8(j).

(2) If you fail in your promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of your proposals from its proxy materials for any meeting held in the following two calendar years.

(g) *Question 7:* Who has the burden of persuading the Commission or its staff that my proposal can be excluded? Except as otherwise noted, the burden is on the company to demonstrate that it is entitled to exclude a proposal.

(h) *Question 8:* Must I appear personally at the shareholders' meeting to present the proposal?

(1) Either you, or your representative who is qualified under state law to present the proposal on your behalf, must attend the meeting to present the proposal. Whether you attend the meeting yourself or send a qualified representative to the meeting in your place, you should make sure that you, or your representative, follow the proper state law procedures for attending the meeting and/or presenting your proposal.

(2) If the company holds its shareholder meeting in whole or in part via electronic media, and the company permits you or your representative to present your proposal via such media, then you may appear through electronic media rather than traveling to the meeting to appear in person.

(3) If you or your qualified representative fail to appear and present the proposal, without good cause, the company will be permitted to exclude all of your proposals from its proxy materials for any meetings held in the following two calendar years.

(i) *Question 9:* If I have complied with the procedural requirements, on what other bases may a company rely to exclude my proposal?

(1) *Improper under state law:* If the proposal is not a proper subject for action by shareholders under the laws of the jurisdiction of the company's organization;

*Note to paragraph (i)(1):* Depending on the subject matter, some proposals are not considered proper under state law if they would be binding on the company if approved by shareholders. In our experience, most proposals that are cast as recommendations or requests that the board of directors take specified action are proper under state law. Accordingly, we will assume that a proposal drafted as a recommendation or suggestion is proper unless the company demonstrates otherwise.

(2) *Violation of law:* If the proposal would, if implemented, cause the company to violate any state, federal, or foreign law to which it is subject;

*Note to paragraph (i)(2):* We will not apply this basis for exclusion to permit exclusion of a proposal on grounds that it would violate foreign law if compliance with the foreign law would result in a violation of any state or federal law.

(3) *Violation of proxy rules:* If the proposal or supporting statement is contrary to any of the Commission's proxy rules, including §240.14a-9, which prohibits materially false or misleading statements in proxy soliciting materials;

(4) *Personal grievance; special interest:* If the proposal relates to the redress of a personal claim or grievance against the company or any other person, or if it is designed to result in a benefit to you, or to further a personal interest, which is not shared by the other shareholders at large;

(5) *Relevance:* If the proposal relates to operations which account for less than 5 percent of the company's total assets at the end of its most recent fiscal year, and for less than 5 percent of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company's business;

(6) *Absence of power/authority:* If the company would lack the power or authority to implement the proposal;

(7) *Management functions*: If the proposal deals with a matter relating to the company's ordinary business operations;

(8) *Director elections*: If the proposal:

- (i) Would disqualify a nominee who is standing for election;
- (ii) Would remove a director from office before his or her term expired;
- (iii) Questions the competence, business judgment, or character of one or more nominees or directors;
- (iv) Seeks to include a specific individual in the company's proxy materials for election to the board of directors; or
- (v) Otherwise could affect the outcome of the upcoming election of directors.

(9) *Conflicts with company's proposal*: If the proposal directly conflicts with one of the company's own proposals to be submitted to shareholders at the same meeting;

*Note to paragraph (i)(9)*: A company's submission to the Commission under this section should specify the points of conflict with the company's proposal.

(10) *Substantially implemented*: If the company has already substantially implemented the proposal;

*Note to paragraph (i)(10)*: A company may exclude a shareholder proposal that would provide an advisory vote or seek future advisory votes to approve the compensation of executives as disclosed pursuant to Item 402 of Regulation S-K (§229.402 of this chapter) or any successor to Item 402 (a "say-on-pay vote") or that relates to the frequency of say-on-pay votes, provided that in the most recent shareholder vote required by §240.14a-21(b) of this chapter a single year ( i.e., one, two, or three years) received approval of a majority of votes cast on the matter and the company has adopted a policy on the frequency of say-on-pay votes that is consistent with the choice of the majority of votes cast in the most recent shareholder vote required by §240.14a-21(b) of this chapter.

(11) *Duplication*: If the proposal substantially duplicates another proposal previously submitted to the company by another proponent that will be included in the company's proxy materials for the same meeting;

(12) *Resubmissions*: If the proposal deals with substantially the same subject matter as another proposal or proposals that has or have been previously included in the company's proxy materials within the preceding 5 calendar years, a company may exclude it from its proxy materials for any meeting held within 3 calendar years of the last time it was included if the proposal received:

- (i) Less than 3% of the vote if proposed once within the preceding 5 calendar years;
- (ii) Less than 6% of the vote on its last submission to shareholders if proposed twice previously within the preceding 5 calendar years; or
- (iii) Less than 10% of the vote on its last submission to shareholders if proposed three times or more previously within the preceding 5 calendar years; and

(13) *Specific amount of dividends*: If the proposal relates to specific amounts of cash or stock dividends.

(j) *Question 10*: What procedures must the company follow if it intends to exclude my proposal?

(1) If the company intends to exclude a proposal from its proxy materials, it must file its reasons with the Commission no later than 80 calendar days before it files its definitive proxy statement and form of proxy with the Commission. The company must simultaneously provide you with a copy of its submission. The Commission staff may permit the company to make its submission later than 80 days before the company files its definitive proxy statement and form of proxy, if the company demonstrates good cause for missing the deadline.

(2) The company must file six paper copies of the following:

(i) The proposal;

(ii) An explanation of why the company believes that it may exclude the proposal, which should, if possible, refer to the most recent applicable authority, such as prior Division letters issued under the rule; and

(iii) A supporting opinion of counsel when such reasons are based on matters of state or foreign law.

(k) *Question 11*: May I submit my own statement to the Commission responding to the company's arguments? Yes, you may submit a response, but it is not required. You should try to submit any response to us, with a copy to the company, as soon as possible after the company makes its submission. This way, the Commission staff will have time to consider fully your submission before it issues its response. You should submit six paper copies of your response.

(l) *Question 12*: If the company includes my shareholder proposal in its proxy materials, what information about me must it include along with the proposal itself?

(1) The company's proxy statement must include your name and address, as well as the number of the company's voting securities that you hold. However, instead of providing that information, the company may instead include a statement that it will provide the information to shareholders promptly upon receiving an oral or written request.

(2) The company is not responsible for the contents of your proposal or supporting statement.

(m) *Question 13*: What can I do if the company includes in its proxy statement reasons why it believes shareholders should not vote in favor of my proposal, and I disagree with some of its statements?

(1) The company may elect to include in its proxy statement reasons why it believes shareholders should vote against your proposal. The company is allowed to make arguments reflecting its own point of view, just as you may express your own point of view in your proposal's supporting statement.

(2) However, if you believe that the company's opposition to your proposal contains materially false or misleading statements that may violate our anti-fraud rule, §240.14a-9, you should promptly send to the Commission staff and the company a letter explaining the reasons for your view, along with a copy of the company's statements opposing your proposal. To the extent possible, your letter should include specific factual information demonstrating the inaccuracy of the company's claims. Time permitting, you may wish to try to work out your differences with the company by yourself before contacting the Commission staff.

(3) We require the company to send you a copy of its statements opposing your proposal before it sends its proxy materials, so that you may bring to our attention any materially false or misleading statements, under the following timeframes:

(i) If our no-action response requires that you make revisions to your proposal or supporting statement as a condition to requiring the company to include it in its proxy materials, then the company must provide you with a copy of its opposition statements no later than 5 calendar days after the company receives a copy of your revised proposal; or

(ii) In all other cases, the company must provide you with a copy of its opposition statements no later than 30 calendar days before its files definitive copies of its proxy statement and form of proxy under §240.14a-6.



**Division of Corporation Finance  
Securities and Exchange Commission**

**Shareholder Proposals**

**Staff Legal Bulletin No. 14F (CF)**

**Action:** Publication of CF Staff Legal Bulletin

**Date:** October 18, 2011

**Summary:** This staff legal bulletin provides information for companies and shareholders regarding Rule 14a-8 under the Securities Exchange Act of 1934.

**Supplementary Information:** The statements in this bulletin represent the views of the Division of Corporation Finance (the "Division"). This bulletin is not a rule, regulation or statement of the Securities and Exchange Commission (the "Commission"). Further, the Commission has neither approved nor disapproved its content.

**Contacts:** For further information, please contact the Division's Office of Chief Counsel by calling (202) 551-3500 or by submitting a web-based request form at [https://tts.sec.gov/cgi-bin/corp\\_fin\\_interpretive](https://tts.sec.gov/cgi-bin/corp_fin_interpretive).

**A. The purpose of this bulletin**

This bulletin is part of a continuing effort by the Division to provide guidance on important issues arising under Exchange Act Rule 14a-8. Specifically, this bulletin contains information regarding:

- Brokers and banks that constitute "record" holders under Rule 14a-8 (b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8;
- Common errors shareholders can avoid when submitting proof of ownership to companies;
- The submission of revised proposals;
- Procedures for withdrawing no-action requests regarding proposals submitted by multiple proponents; and
- The Division's new process for transmitting Rule 14a-8 no-action responses by email.

You can find additional guidance regarding Rule 14a-8 in the following bulletins that are available on the Commission's website: [SLB No. 14](#), [SLB No. 14A](#), [SLB No. 14B](#), [SLB No. 14C](#), [SLB No. 14D](#) and [SLB No. 14E](#).

## **B. The types of brokers and banks that constitute “record” holders under Rule 14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8**

### **1. Eligibility to submit a proposal under Rule 14a-8**

To be eligible to submit a shareholder proposal, a shareholder must 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 shareholder meeting for at least one year as of the date the shareholder submits the proposal. The shareholder must also continue to hold the required amount of securities through the date of the meeting and must provide the company with a written statement of intent to do so.<sup>1</sup>

The steps that a shareholder must take to verify his or her eligibility to submit a proposal depend on how the shareholder owns the securities. There are two types of security holders in the U.S.: registered owners and beneficial owners.<sup>2</sup> Registered owners have a direct relationship with the issuer because their ownership of shares is listed on the records maintained by the issuer or its transfer agent. If a shareholder is a registered owner, the company can independently confirm that the shareholder's holdings satisfy Rule 14a-8(b)'s eligibility requirement.

The vast majority of investors in shares issued by U.S. companies, however, are beneficial owners, which means that they hold their securities in book-entry form through a securities intermediary, such as a broker or a bank. Beneficial owners are sometimes referred to as “street name” holders. Rule 14a-8(b)(2)(i) provides that a beneficial owner can provide proof of ownership to support his or her eligibility to submit a proposal by submitting a written statement “from the ‘record’ holder of [the] securities (usually a broker or bank),” verifying that, at the time the proposal was submitted, the shareholder held the required amount of securities continuously for at least one year.<sup>3</sup>

### **2. The role of the Depository Trust Company**

Most large U.S. brokers and banks deposit their customers' securities with, and hold those securities through, the Depository Trust Company (“DTC”), a registered clearing agency acting as a securities depository. Such brokers and banks are often referred to as “participants” in DTC.<sup>4</sup> The names of these DTC participants, however, do not appear as the registered owners of the securities deposited with DTC on the list of shareholders maintained by the company or, more typically, by its transfer agent. Rather, DTC's nominee, Cede & Co., appears on the shareholder list as the sole registered owner of securities deposited with DTC by the DTC participants. A company can request from DTC a “securities position listing” as of a specified date, which identifies the DTC participants having a position in the company's securities and the number of securities held by each DTC participant on that date.<sup>5</sup>

### **3. Brokers and banks that constitute “record” holders under Rule 14a-8(b)(2)(i) for purposes of verifying whether a beneficial owner is eligible to submit a proposal under Rule 14a-8**

In *The Hain Celestial Group, Inc.* (Oct. 1, 2008), we took the position that an introducing broker could be considered a “record” holder for purposes of

Rule 14a-8(b)(2)(i). An introducing broker is a broker that engages in sales and other activities involving customer contact, such as opening customer accounts and accepting customer orders, but is not permitted to maintain custody of customer funds and securities.<sup>6</sup> Instead, an introducing broker engages another broker, known as a "clearing broker," to hold custody of client funds and securities, to clear and execute customer trades, and to handle other functions such as issuing confirmations of customer trades and customer account statements. Clearing brokers generally are DTC participants; introducing brokers generally are not. As introducing brokers generally are not DTC participants, and therefore typically do not appear on DTC's securities position listing, *Hain Celestial* has required companies to accept proof of ownership letters from brokers in cases where, unlike the positions of registered owners and brokers and banks that are DTC participants, the company is unable to verify the positions against its own or its transfer agent's records or against DTC's securities position listing.

In light of questions we have received following two recent court cases relating to proof of ownership under Rule 14a-8<sup>7</sup> and in light of the Commission's discussion of registered and beneficial owners in the Proxy Mechanics Concept Release, we have reconsidered our views as to what types of brokers and banks should be considered "record" holders under Rule 14a-8(b)(2)(i). Because of the transparency of DTC participants' positions in a company's securities, we will take the view going forward that, for Rule 14a-8(b)(2)(i) purposes, only DTC participants should be viewed as "record" holders of securities that are deposited at DTC. As a result, we will no longer follow *Hain Celestial*.

We believe that taking this approach as to who constitutes a "record" holder for purposes of Rule 14a-8(b)(2)(i) will provide greater certainty to beneficial owners and companies. We also note that this approach is consistent with Exchange Act Rule 12g5-1 and a 1988 staff no-action letter addressing that rule,<sup>8</sup> under which brokers and banks that are DTC participants are considered to be the record holders of securities on deposit with DTC when calculating the number of record holders for purposes of Sections 12(g) and 15(d) of the Exchange Act.

Companies have occasionally expressed the view that, because DTC's nominee, Cede & Co., appears on the shareholder list as the sole registered owner of securities deposited with DTC by the DTC participants, only DTC or Cede & Co. should be viewed as the "record" holder of the securities held on deposit at DTC for purposes of Rule 14a-8(b)(2)(i). We have never interpreted the rule to require a shareholder to obtain a proof of ownership letter from DTC or Cede & Co., and nothing in this guidance should be construed as changing that view.

*How can a shareholder determine whether his or her broker or bank is a DTC participant?*

Shareholders and companies can confirm whether a particular broker or bank is a DTC participant by checking DTC's participant list, which is currently available on the Internet at <http://www.dtcc.com/~media/Files/Downloads/client-center/DTC/alpha.ashx>.

*What if a shareholder's broker or bank is not on DTC's participant list?*

The shareholder will need to obtain proof of ownership from the DTC participant through which the securities are held. The shareholder should be able to find out who this DTC participant is by asking the shareholder's broker or bank.<sup>9</sup>

If the DTC participant knows the shareholder's broker or bank's holdings, but does not know the shareholder's holdings, a shareholder could satisfy Rule 14a-8(b)(2)(i) by obtaining and submitting two proof of ownership statements verifying that, at the time the proposal was submitted, the required amount of securities were continuously held for at least one year – one from the shareholder's broker or bank confirming the shareholder's ownership, and the other from the DTC participant confirming the broker or bank's ownership.

*How will the staff process no-action requests that argue for exclusion on the basis that the shareholder's proof of ownership is not from a DTC participant?*

The staff will grant no-action relief to a company on the basis that the shareholder's proof of ownership is not from a DTC participant only if the company's notice of defect describes the required proof of ownership in a manner that is consistent with the guidance contained in this bulletin. Under Rule 14a-8(f)(1), the shareholder will have an opportunity to obtain the requisite proof of ownership after receiving the notice of defect.

### **C. Common errors shareholders can avoid when submitting proof of ownership to companies**

In this section, we describe two common errors shareholders make when submitting proof of ownership for purposes of Rule 14a-8(b)(2), and we provide guidance on how to avoid these errors.

First, Rule 14a-8(b) requires a shareholder to provide proof of ownership that he or she has "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 you submit the proposal" (emphasis added).<sup>10</sup> We note that many proof of ownership letters do not satisfy this requirement because they do not verify the shareholder's beneficial ownership for the entire one-year period preceding and including the date the proposal is submitted. In some cases, the letter speaks as of a date *before* the date the proposal is submitted, thereby leaving a gap between the date of the verification and the date the proposal is submitted. In other cases, the letter speaks as of a date *after* the date the proposal was submitted but covers a period of only one year, thus failing to verify the shareholder's beneficial ownership over the required full one-year period preceding the date of the proposal's submission.

Second, many letters fail to confirm continuous ownership of the securities. This can occur when a broker or bank submits a letter that confirms the shareholder's beneficial ownership only as of a specified date but omits any reference to continuous ownership for a one-year period.

We recognize that the requirements of Rule 14a-8(b) are highly prescriptive and can cause inconvenience for shareholders when submitting proposals.

Although our administration of Rule 14a-8(b) is constrained by the terms of the rule, we believe that shareholders can avoid the two errors highlighted above by arranging to have their broker or bank provide the required verification of ownership as of the date they plan to submit the proposal using the following format:

“As of [date the proposal is submitted], [name of shareholder] held, and has held continuously for at least one year, [number of securities] shares of [company name] [class of securities].”<sup>11</sup>

As discussed above, a shareholder may also need to provide a separate written statement from the DTC participant through which the shareholder’s securities are held if the shareholder’s broker or bank is not a DTC participant.

#### **D. The submission of revised proposals**

On occasion, a shareholder will revise a proposal after submitting it to a company. This section addresses questions we have received regarding revisions to a proposal or supporting statement.

##### **1. A shareholder submits a timely proposal. The shareholder then submits a revised proposal before the company’s deadline for receiving proposals. Must the company accept the revisions?**

Yes. In this situation, we believe the revised proposal serves as a replacement of the initial proposal. By submitting a revised proposal, the shareholder has effectively withdrawn the initial proposal. Therefore, the shareholder is not in violation of the one-proposal limitation in Rule 14a-8 (c).<sup>12</sup> If the company intends to submit a no-action request, it must do so with respect to the revised proposal.

We recognize that in Question and Answer E.2 of SLB No. 14, we indicated that if a shareholder makes revisions to a proposal before the company submits its no-action request, the company can choose whether to accept the revisions. However, this guidance has led some companies to believe that, in cases where shareholders attempt to make changes to an initial proposal, the company is free to ignore such revisions even if the revised proposal is submitted before the company’s deadline for receiving shareholder proposals. We are revising our guidance on this issue to make clear that a company may not ignore a revised proposal in this situation.<sup>13</sup>

##### **2. A shareholder submits a timely proposal. After the deadline for receiving proposals, the shareholder submits a revised proposal. Must the company accept the revisions?**

No. If a shareholder submits revisions to a proposal after the deadline for receiving proposals under Rule 14a-8(e), the company is not required to accept the revisions. However, if the company does not accept the revisions, it must treat the revised proposal as a second proposal and submit a notice stating its intention to exclude the revised proposal, as required by Rule 14a-8(j). The company’s notice may cite Rule 14a-8(e) as the reason for excluding the revised proposal. If the company does not accept the revisions and intends to exclude the initial proposal, it would also need to submit its reasons for excluding the initial proposal.

### **3. If a shareholder submits a revised proposal, as of which date must the shareholder prove his or her share ownership?**

A shareholder must prove ownership as of the date the original proposal is submitted. When the Commission has discussed revisions to proposals,<sup>14</sup> it has not suggested that a revision triggers a requirement to provide proof of ownership a second time. As outlined in Rule 14a-8(b), proving ownership includes providing a written statement that the shareholder intends to continue to hold the securities through the date of the shareholder meeting. Rule 14a-8(f)(2) provides that if the shareholder “fails in [his or her] promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of [the same shareholder’s] proposals from its proxy materials for any meeting held in the following two calendar years.” With these provisions in mind, we do not interpret Rule 14a-8 as requiring additional proof of ownership when a shareholder submits a revised proposal.<sup>15</sup>

### **E. Procedures for withdrawing no-action requests for proposals submitted by multiple proponents**

We have previously addressed the requirements for withdrawing a Rule 14a-8 no-action request in SLB Nos. 14 and 14C. SLB No. 14 notes that a company should include with a withdrawal letter documentation demonstrating that a shareholder has withdrawn the proposal. In cases where a proposal submitted by multiple shareholders is withdrawn, SLB No. 14C states that, if each shareholder has designated a lead individual to act on its behalf and the company is able to demonstrate that the individual is authorized to act on behalf of all of the proponents, the company need only provide a letter from that lead individual indicating that the lead individual is withdrawing the proposal on behalf of all of the proponents.

Because there is no relief granted by the staff in cases where a no-action request is withdrawn following the withdrawal of the related proposal, we recognize that the threshold for withdrawing a no-action request need not be overly burdensome. Going forward, we will process a withdrawal request if the company provides a letter from the lead filer that includes a representation that the lead filer is authorized to withdraw the proposal on behalf of each proponent identified in the company’s no-action request.<sup>16</sup>

### **F. Use of email to transmit our Rule 14a-8 no-action responses to companies and proponents**

To date, the Division has transmitted copies of our Rule 14a-8 no-action responses, including copies of the correspondence we have received in connection with such requests, by U.S. mail to companies and proponents. We also post our response and the related correspondence to the Commission’s website shortly after issuance of our response.

In order to accelerate delivery of staff responses to companies and proponents, and to reduce our copying and postage costs, going forward, we intend to transmit our Rule 14a-8 no-action responses by email to companies and proponents. We therefore encourage both companies and proponents to include email contact information in any correspondence to each other and to us. We will use U.S. mail to transmit our no-action response to any company or proponent for which we do not have email contact information.

Given the availability of our responses and the related correspondence on the Commission's website and the requirement under Rule 14a-8 for companies and proponents to copy each other on correspondence submitted to the Commission, we believe it is unnecessary to transmit copies of the related correspondence along with our no-action response. Therefore, we intend to transmit only our staff response and not the correspondence we receive from the parties. We will continue to post to the Commission's website copies of this correspondence at the same time that we post our staff no-action response.

---

<sup>1</sup> See Rule 14a-8(b).

<sup>2</sup> For an explanation of the types of share ownership in the U.S., see Concept Release on U.S. Proxy System, Release No. 34-62495 (July 14, 2010) [75 FR 42982] ("Proxy Mechanics Concept Release"), at Section II.A. The term "beneficial owner" does not have a uniform meaning under the federal securities laws. It has a different meaning in this bulletin as compared to "beneficial owner" and "beneficial ownership" in Sections 13 and 16 of the Exchange Act. Our use of the term in this bulletin is not intended to suggest that registered owners are not beneficial owners for purposes of those Exchange Act provisions. See Proposed Amendments to Rule 14a-8 under the Securities Exchange Act of 1934 Relating to Proposals by Security Holders, Release No. 34-12598 (July 7, 1976) [41 FR 29982], at n.2 ("The term 'beneficial owner' when used in the context of the proxy rules, and in light of the purposes of those rules, may be interpreted to have a broader meaning than it would for certain other purpose[s] under the federal securities laws, such as reporting pursuant to the Williams Act.").

<sup>3</sup> If a shareholder has filed a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5 reflecting ownership of the required amount of shares, the shareholder may instead prove ownership by submitting a copy of such filings and providing the additional information that is described in Rule 14a-8(b)(2)(ii).

<sup>4</sup> DTC holds the deposited securities in "fungible bulk," meaning that there are no specifically identifiable shares directly owned by the DTC participants. Rather, each DTC participant holds a pro rata interest or position in the aggregate number of shares of a particular issuer held at DTC. Correspondingly, each customer of a DTC participant – such as an individual investor – owns a pro rata interest in the shares in which the DTC participant has a pro rata interest. See Proxy Mechanics Concept Release, at Section II.B.2.a.

<sup>5</sup> See Exchange Act Rule 17Ad-8.

<sup>6</sup> See Net Capital Rule, Release No. 34-31511 (Nov. 24, 1992) [57 FR 56973] ("Net Capital Rule Release"), at Section II.C.

<sup>7</sup> See *KBR Inc. v. Chevedden*, Civil Action No. H-11-0196, 2011 U.S. Dist. LEXIS 36431, 2011 WL 1463611 (S.D. Tex. Apr. 4, 2011); *Apache Corp. v. Chevedden*, 696 F. Supp. 2d 723 (S.D. Tex. 2010). In both cases, the court concluded that a securities intermediary was not a record holder for purposes of Rule 14a-8(b) because it did not appear on a list of the

company's non-objecting beneficial owners or on any DTC securities position listing, nor was the intermediary a DTC participant.

<sup>8</sup> *Techne Corp.* (Sept. 20, 1988).

<sup>9</sup> In addition, if the shareholder's broker is an introducing broker, the shareholder's account statements should include the clearing broker's identity and telephone number. See Net Capital Rule Release, at Section II.C.(iii). The clearing broker will generally be a DTC participant.

<sup>10</sup> For purposes of Rule 14a-8(b), the submission date of a proposal will generally precede the company's receipt date of the proposal, absent the use of electronic or other means of same-day delivery.

<sup>11</sup> This format is acceptable for purposes of Rule 14a-8(b), but it is not mandatory or exclusive.

<sup>12</sup> As such, it is not appropriate for a company to send a notice of defect for multiple proposals under Rule 14a-8(c) upon receiving a revised proposal.

<sup>13</sup> This position will apply to all proposals submitted after an initial proposal but before the company's deadline for receiving proposals, regardless of whether they are explicitly labeled as "revisions" to an initial proposal, unless the shareholder affirmatively indicates an intent to submit a second, *additional* proposal for inclusion in the company's proxy materials. In that case, the company must send the shareholder a notice of defect pursuant to Rule 14a-8(f)(1) if it intends to exclude either proposal from its proxy materials in reliance on Rule 14a-8(c). In light of this guidance, with respect to proposals or revisions received before a company's deadline for submission, we will no longer follow *Layne Christensen Co.* (Mar. 21, 2011) and other prior staff no-action letters in which we took the view that a proposal would violate the Rule 14a-8(c) one-proposal limitation if such proposal is submitted to a company after the company has either submitted a Rule 14a-8 no-action request to exclude an earlier proposal submitted by the same proponent or notified the proponent that the earlier proposal was excludable under the rule.

<sup>14</sup> See, e.g., Adoption of Amendments Relating to Proposals by Security Holders, Release No. 34-12999 (Nov. 22, 1976) [41 FR 52994].

<sup>15</sup> Because the relevant date for proving ownership under Rule 14a-8(b) is the date the proposal is submitted, a proponent who does not adequately prove ownership in connection with a proposal is not permitted to submit another proposal for the same meeting on a later date.

<sup>16</sup> Nothing in this staff position has any effect on the status of any shareholder proposal that is not withdrawn by the proponent or its authorized representative.

<http://www.sec.gov/interp/leg/cfslb14f.htm>

[Shipping](#)[Tracking](#)[Manage](#)[Learn](#)[FedEx Office](#) <sup>&reg;</sup>[My Profile](#) | [Support](#) | [Locations](#) | [English](#)[Search or tracking number](#)[Subi](#)

\*\*\*

**Delivered**  
**Friday 10/30/2020 at 11:29 am**

**DELIVERED**

Signature not required

[GET STATUS UPDATES](#)[OBTAIN PROOF OF DELIVERY](#)**FROM**

Hewlett Packard Enterprise Co.  
 Linda Leung  
 6280 America Center Dr  
 SAN JOSE, CA US 95002  
 650 258-7861

**TO**

Mr. John Chevedden  
 \*\*\*

### Shipment Facts

<b>TRACKING NUMBER</b> ***	<b>SERVICE</b> FedEx Priority Overnight	<b>WEIGHT</b> 0.5 lbs / 0.23 kgs
<b>DELIVERY ATTEMPTS</b> 1	<b>DELIVERED TO</b> Residence	<b>TOTAL PIECES</b> 1
<b>TOTAL SHIPMENT WEIGHT</b> 0.5 lbs / 0.23 kgs	<b>TERMS</b> Shipper	<b>PACKAGING</b> FedEx Envelope
<b>SPECIAL HANDLING SECTION</b> Deliver Weekday, Residential Delivery	<b>STANDARD TRANSIT</b> 10/30/2020 by 12:00 pm	<b>SHIP DATE</b> Thu 10/29/2020

**ACTUAL DELIVERY**  
 Fri 10/30/2020 11:29 am

### Travel History

[Local Scan Time](#)

Friday, 10/30/2020

11:29 am

REDONDO BEACH, CA

Delivered

Package delivered to recipient address - release authorized

8:52 am	HAWTHORNE, CA	On FedEx vehicle for delivery
7:55 am	HAWTHORNE, CA	At local FedEx facility
2:48 am	LOS ANGELES, CA	At destination sort facility
1:45 am	OAKLAND, CA	Departed FedEx location

## Thursday, 10/29/2020

9:38 pm	OAKLAND, CA	Arrived at FedEx location
8:59 pm	SOUTH SAN FRANCISCO, CA	Left FedEx origin facility
7:34 pm	SOUTH SAN FRANCISCO, CA	Picked up
6:17 pm	SAN FRANCISCO, CA	Picked up Tendered at FedEx Office

## Wednesday, 10/28/2020

1:33 pm		Shipment information sent to FedEx
---------	--	------------------------------------



Search or tracking number

Subbr

**Customer Focus**

New Customer Center  
Small Business Center  
Service Guide  
Customer Support

**Company Information**

About FedEx  
Careers  
Investor Relations  
Subscribe to FedEx email

**Featured Services**

FedEx Delivery Manager  
FedEx Critical Inventory Logistics  
FedEx SameDay  
FedEx Home Delivery  
FedEx TechConnect  
FedEx HealthCare Solutions  
Online Retail Solutions  
Packaging Services  
Ancillary Clearance Services

**Other Resources**

FedEx Compatible  
Developer Resource Center  
FedEx Ship Manager Software  
FedEx Mobile

**Companies**

FedEx Express  
FedEx Ground  
FedEx Office  
FedEx Freight  
FedEx Custom Critical  
FedEx Trade Networks  
FedEx Cross Border  
FedEx Supply Chain

**Follow FedEx**

United States - English

Mr. John F. Schultz  
Corporate Secretary  
Hewlett Packard Enterprise Company (HPE)  
6280 America Center Drive  
San Jose, California 95002  
PH: 650-687-5817  
FX: 650-857-4837

REVISED 31 BLT 2020

Dear Mr. Schultz,

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 annual shareholder meeting. Rule 14a-8 requirements will be met including the continuous ownership of the required stock value until after the date of the respective shareholder meeting and presentation of the proposal at the annual meeting. This submitted format, with the shareholder-supplied emphasis, is intended to be used for definitive proxy publication.

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 this proposal by email to \*\*\*  
by next day email.

Sincerely,

  
John Chevedden

October 18, 2020  
Date

cc: Derek Windham <derek.windham@hpe.com>  
Linda Epstein <linda.epstein@hpe.com>

[HPE: 2020 Rule 14a-8 Proposal | Revision at management request]

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

**Proposal 4 – Shareholder Right to Act by Written Consent**

Shareholders request that our board of directors undertake such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. This includes shareholder ability to initiate any appropriate topic for written consent.

Taking action by written consent in place of a meeting is a means shareholders can use to raise important matters outside the normal annual meeting cycle like the election of a new director.

This proposal topic won 88%-support at an AT&T annual meeting. And this was before the shareholder right to call a special in-person shareholder meeting was eliminated by the 2020 pandemic. HPE management put up a smoke screen of outlandish theoretical objections to this proposal topic in 2019 but failed to give a single example of its theoretical objections ever taking place at any company whatsoever. HPE shareholders responded with 46%-support which is a majority from the HPE shares that have access to independent proxy voting advice.

The Bank of New York Mellon Corporation (BK) said it adopted written consent in 2019 after 45%-support (clearly less than the HPE 46%-vote) for a written consent shareholder proposal. And this BK action was a year before the pandemic put an end to in-person shareholder meetings – perhaps forever. It is so much easier for management to conduct an online shareholder meeting that management is now spoiled and will never want to return to an in-person shareholder meeting.

Shareholders need to be able to accomplish more outside of a shareholder meeting due to the onslaught of online shareholder meetings replacing in-person shareholder meetings.

With the near universal use of online annual shareholder meetings starting in 2020 shareholders no longer have the right to discuss concerns with other shareholders and with their directors at a shareholder meeting.

Shareholders are also severely restricted in making their views known at online shareholder meetings because all challenging questions and comments can be screened out by management.

For instance Goodyear management hit the mute button right in the middle of a formal shareholder proposal presentation at its 2020 shareholder meeting to bar constructive shareholder criticism.

Plus AT&T management would not even allow the proponents of shareholder proposals to read their proposals by telephone at the 2020 AT&T online annual meeting during pandemic travel restrictions. Please see:

AT&T investors denied a dial-in as annual meeting goes online

<https://whbl.com/2020/04/17/att-investors-denied-a-dial-in-as-annual-meeting-goes-online/1007928/>

Shareholders now need to have the option more than ever to take action outside of a shareholder meeting since online shareholder meetings are a shareholder engagement wasteland.

Please vote yes:

**Shareholder Right to Act by Written Consent – Proposal 4**

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

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).

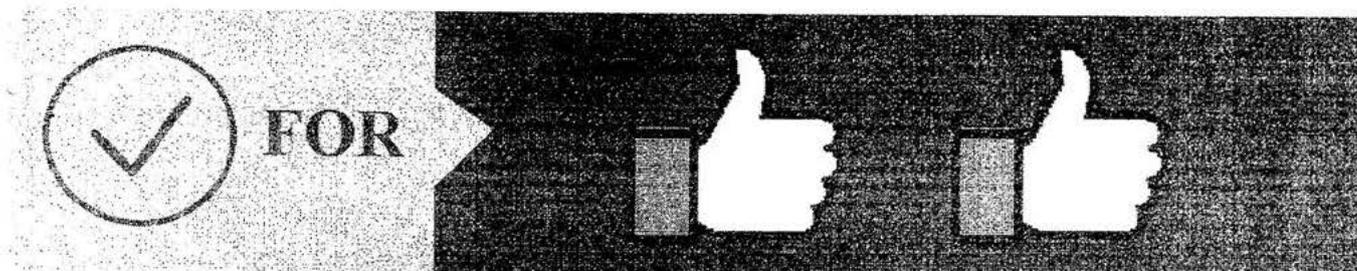
The stock supporting this proposal will be held until after the annual meeting and the proposal will be presented at the annual meeting. Please acknowledge this proposal promptly by email

\*\*\*

---

The graphic below is intended to be placed at the conclusion of the rule 14a-8 proposal. The graphic would be the same size at the largest graphic (and accompanying bold or highlighted text with the graphic) or any highlighted executive summary that management uses in conjunction with a management proposal or a shareholder proposal in the 2021 proxy.

Proponent is willing to discuss the in unison elimination of both shareholder graphics and management graphics in the proxy in regard to specific proposals.



**From:** [John Chevedden](#)  
**To:** [Windham, Derek](#)  
**Cc:** [Epstein, Linda](#)  
**Subject:** Rule 14a-8 Proposal (HPE)`` revised  
**Date:** Saturday, October 31, 2020 11:50:02 AM  
**Attachments:** [31102020\\_6.pdf](#)

---

Mr. Windham,

Please see the attached rule 14a-8 proposal to improve corporate governance and enhance long-term shareholder value at de minimis up-front cost – especially considering the substantial market capitalization of the company.

Sincerely,  
John Chevedden

**Exhibit C**

**From:** [John Chevedden](#)  
**To:** [Windham, Derek](#)  
**Cc:** [Epstein, Linda](#); [Leung, Linda](#)  
**Subject:** Rule 14a-8 Proposal (HPE) blb  
**Date:** Thursday, November 5, 2020 12:51:45 PM  
**Attachments:** [05112020\\_2.pdf](#)

---

Mr. Windham,  
Please see the attached broker letter.  
Please confirm receipt.  
Sincerely,  
John Chevedden

11/05/2020

John Chevedden

\*\*\*

Re: Your TD Ameritrade account ending in \*\*\* in TD Ameritrade Clearing Inc DTC #0188

Dear John Chevedden,

Thank you for allowing me to assist you today. As you requested this letter confirms that, as of the date of this letter, you have continuously held no less than the below number of shares in the above referenced account since October 1, 2018.

HP Inc. (HPQ) 200 shares  
Hewlett Packard Enterprise Company (HPE) 150 shares  
Dominion Resources Inc. (D) 100 shares  
Kohl's Corporation (KSS) 150 shares  
Baxter International Inc. (BAX) 50 shares  
Gilead Sciences, Inc. (GILD) 100 shares  
Cummins Inc. (CMI) 50 shares

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 Client Services at 800-669-3900. We're available 24 hours a day, seven days a week.

Sincerely,



Gabriel Elliott  
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.

TD Ameritrade, Inc., member FINRA/SIPC ([www.finra.org](http://www.finra.org), [www.sipc.org](http://www.sipc.org)). TD Ameritrade is a trademark jointly owned by TD Ameritrade IP Company, Inc. and The Toronto-Dominion Bank. © 2015 TD Ameritrade IP Company, Inc. All rights reserved. Used with permission.