18 February 2020
Office of the Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549

Re: Shareholder Proposal to Chevron seeking the setting of targets for alignment with the Paris Agreement

Dear Sir/Madam,

We are writing in response to the letter sent by Gibson Dunn on behalf of Chevron Corporation (the ‘Company’) on January 17th, 2020. In their letter, the company asserts that it may exclude the shareholder proposal (the ‘Proposal’) submitted by Follow This (the ‘Proponent’) from the company’s proxy materials on the basis that it contravenes SEC regulations relating to eligibility requirements set out in Rules 14a-8(b) and 14a-8(f)(1) as well as impingement on ordinary business (Rule 14a-8(1)(7)). The company has requested that the commission's division of corporate finance (the ‘Staff”) shall not recommend enforcement action if the company omits the Proposal from their proxy materials. We disagree and respectfully ask that you do not affirm this request.

In accordance with Staff Legal Bulletin 14D (CF), a copy of this letter is being transmitted to the Company’s legal counsel.

1. Eligibility

The Company states that the Proponent failed to meet the eligibility requirements set out in Rules 14-8(b) and 14a-b(f)(1). However, examination of SEC rules and memoranda, elucidated upon below, indicates that they eschew an overly technical reading of such rules, as well as their application in a manner which compromises interests of justice. The latter is evidenced in rule 100(c), which states:

‘The Commission, upon its determination that to do so would serve the interests of justice and not result in prejudice to the parties to the proceeding, may by order direct, in a particular proceeding, that an alternative procedure shall apply or that compliance with an otherwise applicable rule is unnecessary.’

This indicates that the commission may choose to forgo application of a given rule, or chose an alternate rule, when the circumstances so dictate. Such circumstances are evident in the present case, and thus require more careful examination by the SEC.

Rule 161 relates to extension of timelines, such as the 14 day time limit given by the Company to demonstrate proof of ownership of the DTC participant. Subsection (1)(v) indicates that time extensions shall be granted as is required to maintain justice. In the present case, the 14 day time limit fell over the
December Holidays (Christmas Eve, Christmas Day and New Years). Proof by the broker, Binck Bank, was provided within the 14 day deadline.

Further, the Proponent was in continuous communication with both their bank and the Company in effort to determine how to demonstrate proper proof of ownership. In the end, proper proof from the DTC participant was in fact acquired, but shortly after the end of the deadline. However, this was the earliest possible date that the ‘DTC’ participant of Binck Bank, Pershing Limited, was able to provide the necessary proof of ownership.

In accordance with the intention of SEC Rule of Practice 161(1)(v), excluding the proposal for failing to adhere to this timeframe would be an affront to a sense of justice; it would allow the proposal to be excluded due to failing to meet a timeframe which fell over several major holidays, which compromised the ability of the parties to engage in timely correspondence. In addition, proper proof of ownership was supplied as soon as it was obtained. While it is beyond the scope of this letter to set forth for a metric by which to determine justice, we request the SEC take these circumstances into account when rendering their decision.

As per SLB 14G, which aimed to address discrepancies in proof of ownership, we assert that the SEC aims to extend eligible proof of ownership to affiliates of DTC participants. This bulletin notes that some companies questioned the proof of ownership of entities which were not themselves DTC participants, but affiliates of DTC participants, as is the case of Binck Bank and Pershing. This indicates that the SEC aims to prevent proposals from being excluded on eligibility grounds. The bulletin states:

‘Accordingly, we are of the view that, for purposes of Rule 14a-8(b)(2)(i), a proof of ownership letter from an affiliate of a DTC participant satisfies the requirement to provide a proof of ownership letter from a DTC participant.’

Furthermore, in SLB 14K, the SEC has indicated that companies should forgo an overly technical reading of ownership requirements to prevent companies from using such technicalities to exclude proposals. Proponents are often not lawyers, and as such not versed in the legislation and doctrine required to adhere to all eligibility requirements. This bulletin states:

‘This season, we observed that some companies applied an overly technical reading of proof of ownership letters as a means to exclude a proposal. We generally do not find such arguments persuasive.’

It is this sort of overly technical reading which serves as the basis for the arguments put forth in the Letter.

Based on the above, and in accordance with the position taken by the division of corporate finance, the proposal should not be excluded as it would rely on an overly technical reading of the proof of ownership rule, and because it would not serve the interests of justice.
2. The proposal may not be excluded under the ordinary business exception as it addresses a significant social policy issue.

The submitted proposal supports the company in aligning their business strategy with goals set out in the Paris Agreement in order to mitigate the companies contribution to climate change and warming. Chevron’s own ‘Climate Change Resilience Report’ affirms the significance of the risks posed by climate change, indicating that such matters transcend a greater social policy issue, and thus should not be exempted based on any effects the proposal may have on their daily business operations. Further, the SEC has also held that proposals which aim to address climate change may not be excluded under rule 14a-8(1)(7). This is evidenced in the no-action correspondence with Anadarko Petroleum Corp. (Mar. 4, 2019) as mentioned in SLB 14K:

‘...we did not concur with the excludability of a proposal seeking a report “describing if, and how, [a company] plans to reduce its total contribution to climate change and align its operations and investments with the Paris [Climate] Agreement’s goal of maintaining global temperatures well below 2 degrees Celsius.” The proposal was not excludable because the proposal transcended ordinary business matters and did not seek to micromanage the company to such a degree that exclusion would be appropriate. In our view, the proposal did not seek to micromanage the company because it deferred to management’s discretion to consider if and how the company plans to reduce its carbon footprint and asked the company to consider the relative benefits and drawbacks of several actions.’

Such concerns were of essence in the drafting of the Proposal; it aimed to prevent claims of micromanagement through less prescriptive language, namely the request for a setting of a ‘strategy’ as opposed to concrete targets. This was done to allow the company a greater degree of autonomy in developing their strategy to meet the goals set out in the Paris Agreement.

Chevron emitted 58 million tons of CO2 in 2018. The IPCC indicates that CO2 emissions must be drastically curtailed in order to prevent catastrophic consequences; even the most ambitious pathway will require significant adaptation measures. The IPCC recommends that warming be kept below 1.5°C; as warming approaches 2°C and beyond, the effects intensify. Sea-level rise, species extinction, habitat loss and food insecurity are predicted to cause irreparable consequences, disproportionately affecting those already in a vulnerable position.

The social policy significance of global warming is further instanced by legislative and policy activity on the matter. The Paris Agreement has been assented to by an overwhelming number of states, matched by legal measures to reduce greenhouse gas emissions. The European Union has pledged to be carbon neutral by 2050.

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In the Letter, the Company states they maintain a robust GHG management program, which includes reporting on GHG emissions and climate related governance, risk, management, strategy, actions and investment. They further state that the Company’s operations consist of, *inter alia*, exploring for, producing and transporting crude oil and natural gas; refining, marketing and distributing transportation fuels and lubricants. The Company claims that, due to this diverse range of oil and gas assets, and because drilling and production levels unavoidably impact emission levels, the Company’s complex operational considerations will necessarily involve emissions management on a day-to-day basis. It is for this exact reason that we opted for non-prescriptive language. The proposal merely puts forth climate policy congruent with scientific consensus, namely that warming should be kept below 2 degrees celsius in comparison to preindustrial levels and that companies should take all emissions (scope 1, 2, and 3) into account. If this language is deemed to be too prescriptive, it precludes the Company from aligning their climate strategy with accepted scientific consensus.\(^3\) The proposal was drafted in such a way to allow the Company maximum autonomy in how these goals are achieved.

The Proposal seeks to support the company in meeting climate goals without being overly prescriptive. That being said, any proposal which aims to have a fossil fuel company reduce their contribution to global warming will have an effect on their daily business operations. As such, a decision by the SEC to exclude this proposal sets a dangerous precedent; any proposal requesting a fossil fuel company take action to reduce their emissions could be excluded, makings such proposals without utility.

The Company cites two proposals which were excluded based on contravention of rule 14a-8(1)(7). The letter claims that our proposal is identical to those in *Exxon Mobil Corp. (New York State Retirement Fund)* (avail. Apr. 2 2019) and *Devon Energy Corp.* (avail Mar. 4 2019 recon. denied Apr. 1, 2019). They claim our proposal is similar in substance to these proposals on the grounds that they seek to micromanage the company by seeking to impose specific methods for implementing complex policies in place of the ongoing judgements of management as overseen by the companies board of directors. This differs from the present case; our proposal is intentionally non-prescriptive. There is no mandate for how the details of the strategy must be carried out, or a predetermined path for how this strategy should manifest. Further, it doesn’t assert that shareholder judgement should take precedence over that of management. Both shareholders and management agree about the severity of mitigating climate change. The proposal aims to support the company to develop a more robust strategy for GHG mitigation, but is intentionally drafted to leave the complexity of how such a strategy will manifest up to the company. Shareholders recognize a lacuna in Company policy which must be ameliorated if they are to attain their own goals.

**Conclusion**

In summation, we request that the SEC does not affirm the Company’s no-action request. In regards to the claim that the Proponent did not adhere to eligibility requirements, we have detailed that a corresponding exclusion would compromise the interests of justice. In regards to the claim that the proposal should be

\(^3\) IPCC, supra. (n2)
excluded for being too micro-managerial, affirming this request would set a dangerous precedent. The business operations of fossil fuel companies drive climate change. All proposals aiming to encourage climate mitigation by fossil fuel companies would be excludable. In addition, the ordinary business exclusion makes exceptions for proposals which touch upon significant social policy issues. Climate change presents one of the most significant threats of our era; it cannot be argued that it is not a significant social policy issue.

Sincerely,

Mark van Baal

McKenzie Ursch
January 17, 2020

VIA E-MAIL

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

Re: Chevron Corporation
Stockholder Proposal of Follow This
Securities Exchange Act of 1934—Rule 14a-8

Ladies and Gentlemen:

This letter is to inform you that our client, Chevron Corporation (the “Company”), intends to omit from its proxy statement and form of proxy for its 2020 Annual Meeting of Stockholders (collectively, the “2020 Proxy Materials”) a stockholder proposal (the “Proposal”) and statements in support thereof (the “Supporting Statement”) received from Follow This (the “Proponent”).

Pursuant to Rule 14a-8(j), we have:

• filed this letter with the Securities and Exchange Commission (the “Commission”) no later than eighty (80) calendar days before the Company intends to file its definitive 2020 Proxy Materials with the Commission; and

• concurrently sent copies of this correspondence to the Proponent.

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

The Proposal states:

Resolved: Shareholders request the company to align its strategy with emission levels compatible with the goal of the Paris Climate Agreement to limit global warming to well below 2°C above pre-industrial levels.

The strategy should cover the greenhouse gas (GHG) emissions of the company’s operations and the use of its energy products (Scope 1, 2, and 3), and be reviewed regularly in accordance with best available science.

Shareholders request that annual reporting include information about plans and progress to execute this strategy (at reasonable cost and omitting proprietary information).

You have our support.

Supporting statement

The oil and gas industry can make or break the goal of the Paris Climate Agreement. Therefore, oil and gas companies need the support of their shareholders to (1) align their strategies with the goal of the Paris Climate Agreement, and (2) to invest accordingly in the energy transition to a net-zero-emission energy system.

A copy of the Proposal, the Supporting Statement and related correspondence with the Proponent, is attached to this letter as Exhibit A through Exhibit F.

BASES FOR EXCLUSION

We hereby respectfully request that the Staff concur in our view that the Proposal may be excluded from the 2020 Proxy Materials pursuant to:

- Rule 14a-8(b) and Rule 14a-8(f)(1) because the Proponent failed to establish the requisite eligibility to submit the Proposal; and

- Rule 14a-8(i)(7) because the Proposal deals with matters relating to the Company’s ordinary business operations as it impermissibly seeks to impose prescriptive methods for implementing complex policies related to the Company’s strategy for addressing greenhouse gas (“GHG”) emissions.
ANALYSIS

I. The Proposal May Be Excluded Under Rule 14a-8(b) And Rule 14a-8(f)(1) Because The Proponent Failed To Establish The Requisite Eligibility To Submit The Proposal

A. Background

On December 10, 2019, the Proponent submitted the Proposal to the Company via e-mail and mail carrier. See Exhibit A. This correspondence included an ownership letter from BinckBank (the “Broker”) indicating that Pershing Limited was the relevant DTC participant for the Proponent’s shares (the “DTC Participant”). See Exhibit A.

The Company responded via e-mail—as well as via overnight mail carrier—with an attached letter (the “Deficiency Notice”) on December 12, 2019, informing the Proponent that the submitted materials failed to include sufficient proof of the Proponent’s ownership of the Company’s stock under the Exchange Act Rule 14a-8(b)(2) and Staff Guidance. See Exhibit B. The Deficiency Notice included detailed instructions on how the Proponent could remedy its deficiency, including that the Proponent would need to provide a statement by the DTC Participant record holder verifying (a) that the DTC Participant is the record holder, (b) the number of shares held in the Proponent’s name, and (c) that the Proponent has continuously held the shares for the requisite time period. See id. Additionally, the Deficiency Notice stated:

[I]f the DTC participant that holds the Proponent’s shares is not able to confirm individual holdings but is able to confirm the holdings of the Proponent’s broker or bank, then the Proponent will need to satisfy the proof of ownership requirements by obtaining and submitting two proof of ownership statements verifying that, for at least the one-year period preceding and including the date the proposal was submitted (December 10, 2019), the requisite number of Chevron shares were continuously held. The first statement should be from the Proponent’s broker or bank confirming the Proponent’s ownership. The second statement should be from the DTC participant confirming the broker or bank’s ownership.

The Deficiency Notice also included a copy of Rule 14a-8 and Staff Legal Bulletin No. 14F (Oct. 18, 2011) (“SLB 14F”). See id.

On December 15, 2019, the Proponent confirmed receipt of the Company’s Deficiency Notice and informed the Company it would provide the additional materials “within 2 weeks.” See Exhibit C. The Proponent and the Company exchanged e-mails daily from December 16, 2019
to December 18, 2019 during which time the Company repeatedly attempted to assist the proponent with satisfying the issues raised in the Deficiency Notice. See id.

On December 24, 2019, the Proponent submitted what it claimed to be the proof of ownership that the Company had requested. See Exhibit D. However, despite the Company’s clear instruction to include a statement from the DTC Participant, this addendum only included a statement from the Broker. See id. The attached PDFs demonstrated that the Broker held the shares, but did not contain any statements from the DTC Participant, who is the record holder. See id. The Company replied via e-mail on December 26, 2019 seeking clarification on whether the Proponent was able to obtain a statement from the DTC Participant. See id. The Proponent responded on December 26, 2019 with additional PDFs reflecting the Broker’s ownership of the shares, but again failing to provide a statement from the DTC Participant. See Exhibit E. The Company responded on December 26, 2019, reaffirming that the attached materials were still deficient, and attached the original Deficiency Notice from December 12, 2019, explaining the requirement that the Proponent include a statement from the DTC Participant. See id.

In an e-mail on January 3, 2020—more than three weeks after the Company delivered the Deficiency Notice to the Proponent—the Proponent forwarded an e-mail from the DTC Participant to the Company, in which it affirmed the Broker’s ownership of the required shares. See Exhibit F.

B. Analysis

The Company may exclude the Proposal under Rule 14a-8(f)(1) because the Proponent failed to substantiate its 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 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 meeting for at least one year by the date the shareholder submits 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.

Further, the Staff has clarified that these proof of ownership letters must come from the “record” holder of the Proponent’s shares, and that only DTC participants are viewed as record holders of securities that are deposited at DTC. See SLB 14F. SLB 14F further provides:

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.

As discussed above, and consistent with this guidance, the Company sent the Deficiency Notice to the Proponent in a timely manner, clearly identifying the deficiency and explaining that it could be corrected by providing verification of ownership from a DTC participant. The Proponent did not provide, as required by SLB 14F, an affirmative verification from the DTC participant within the required 14-day time period. The Broker, BinckBank, is not on the list of DTC participants that is available on the DTC website at http://www.dtcc.com/~media/Files/Downloads/client-center/DTC/alpha.ashx.

The Staff has consistently concurred with the exclusion of stockholder proposals based on a proponent’s failure to provide satisfactory evidence of eligibility under Rule 14a-8(b) and Rule 14a-8(f)(1) within the required 14-day time period. For example, in Chubb Limited (avail. Feb. 13, 2018), the proponent did not submit proof of ownership from a DTC participant following a timely and proper request by the company to furnish such evidence in a timely manner. The Staff concurred with the exclusion of the proposal under Rule 14a-8(b) and Rule 14a-8(f), noting “that the [p]roponent appears to have failed to supply, within 14 days of receipt of the Company’s request, documentary support from a DTC participant sufficiently evidencing that he satisfied the minimum ownership requirement for the one-year period as required by rule 14a-8(b).” See also FedEx Corp. (avail. Jun. 28, 2018) (concurring with the exclusion of a stockholder proposal under Rule 14a-8(b) and Rule 14a-8(f) and noting that “the [p]roponents appear to have failed to supply, within 14 days of receipt of the [c]ompany’s request, documentary support sufficiently evidencing that they satisfied the minimum ownership requirement for the one-year period as required by Rule 14a-8(b)”); AT&T Inc. (avail. Dec. 2, 2014) (concurring with the exclusion of a stockholder proposal under Rule 14a-8(b) and Rule 14a-8(f) where the proponent failed to provide, in response to two deficiency notices, proof of continuous ownership for the requisite period from any DTC participant); Johnson & Johnson (avail. Feb. 23, 2012, recon. granted Mar. 2, 2012) (concurring with the exclusion of a stockholder proposal under Rule 14a-8(b) and Rule 14a-8(f) where the proponent failed to provide, in response to a timely deficiency notice, proof of continuous ownership for the requisite period from any DTC participant).

Additionally, the Staff consistently has concurred with the exclusion of stockholder proposals when proponents have failed, following a timely and proper request by a company, to furnish evidence of eligibility to submit the stockholder proposal in a timely manner to satisfy Rule 14a-8(b), even if the evidence ultimately furnished otherwise satisfies Rule 14a-8(b). See, e.g., Time Warner Inc. (Steiner) (avail. Mar. 13, 2018) (concurring with the exclusion of a
proposal because the proponent failed to supply, in response to the company’s deficiency notice, sufficient proof that the proponent satisfied the minimum ownership requirement as required by Rule 14a-8(b) where the proponent supplied proof of ownership 18 days after receiving the timely deficiency notice); Prudential Financial, Inc. (avail. Dec. 28, 2015) (concurring with the exclusion of a proposal because the proponent failed to supply, in response to the company’s deficiency notice, sufficient proof that the proponent satisfied the minimum ownership requirement as required by Rule 14a-8(b) where the proponent supplied proof of ownership 23 days after receiving the timely deficiency notice); Mondelēz International, Inc. (avail. Feb. 27, 2015) (concurring with the exclusion of a proposal because the proponent failed to supply, in response to the company’s deficiency notice, sufficient proof that the proponent satisfied the minimum ownership requirement as required by Rule 14a-8(b) where the proponent supplied proof of ownership 16 days after receiving the timely deficiency notice); Pitney Bowes Inc. (avail. Jan. 13, 2012) (concurring with the exclusion of a proposal because the proponents failed to supply, in response to the company’s deficiency notice, sufficient proof that the proponents satisfied the minimum ownership requirement as required by Rule 14a-8(b) where the proponents supplied proof of ownership 34 days after receiving the timely deficiency notice).

Here, the Company satisfied its obligation under Rule 14a-8 to timely notify the Proponent of its deficiency by providing the Proponent with the Deficiency Notice two days after receiving the Proposal. See Exhibit B. The Deficiency Notice specifically set forth the requirement that the Proponent include a written statement from the record holder of the shares, and further specified that the position statement signed by the Broker was insufficient because the Company “did not receive any proof of the Proponent’s ownership of Chevron from Pershing Limited.” Id. (emphasis added). Given that the Broker was not the record holder of the shares and that the Broker’s initial letter did not include the date the Proposal was submitted, the Deficiency Notice instructed the Proponent to include two statements: one from the Broker confirming the Proponent’s ownership and one from the DTC Participant, the record holder of the shares, confirming the Broker’s ownership. Id. Moreover, although not obligated to do so, the Company repeatedly attempted to assist the Proponent with satisfying Rule 14a-8(b) by reiterating and explaining this requirement, including referring back to the Deficiency Notice. The Deficiency Notice also included copies of both Rule 14a-8 and SLB 14F. Id.

As with the proposals in the precedents cited above, the Proponent failed to substantiate his eligibility to submit the Proposal within the 14-day time period after he received the Company’s timely Deficiency Notice, as required under Rule 14a-8. The Proponent received the Deficiency Notice on December 12, 2019 and failed to provide the required statement from the DTC Participant until January 3, 2020, 22 days after it received the Deficiency Notice. Accordingly, we ask that the Staff concur that the Company may exclude the Proposal under Rule 14a-8(b) and Rule 14a-8(f)(1).
II. The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because The Proposal Deals With Matters Relating To The Company’s Ordinary Business Operations

The Proposal directs the Company to implement a specific method for addressing reductions of GHG emissions, including setting emission reduction targets necessary to achieve the goals set forth in the Paris Agreement, and requiring annual reporting of the Company’s progress related thereto. By prescribing this strategy, the Proposal restricts the Company’s discretion to manage its GHG emissions management program. As discussed below, the Staff has excluded proposals as micromanaging the company where they direct specific actions with regard to complex policy matters and restrict the discretion or flexibility of the company’s management or board to act on those matters. Under well-established precedent, we believe that the Proposal is therefore excludable under Rule 14a-8(i)(7) because it seeks to micromanage the Company’s actions to manage its GHG emissions management program.

A. Overview Of Rule 14a-8(i)(7)

Rule 14a-8(i)(7) permits a company to omit from its proxy materials a stockholder proposal that relates to the company’s “ordinary business” operations. According to the Commission’s release accompanying the 1998 amendments to Rule 14a-8, the term “ordinary business” refers to matters that are not necessarily “ordinary” in the common meaning of the word, but instead the term “is rooted in the corporate law concept [of] providing management with flexibility in directing certain core matters involving the company’s business and operations.” Exchange Act Release No. 40018 (May 21, 1998) (the “1998 Release”).

In the 1998 Release, the Commission explained that the underlying policy of the ordinary business exclusion is “to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting,” and identified two central considerations that underlie this policy. The second consideration, which is applicable here, relates to “the degree to which the proposal seeks to ‘micro-manage’ the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” Id. (citing Exchange Act Release No. 12999 (Nov. 22, 1976)). The 1998 Release further states, “[t]his consideration may come into play in a number of circumstances, such as where the proposal involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies.” Moreover, as is relevant here, under Rule 14a-8(i)(7) a stockholder proposal that seeks to micromanage a company’s business operations is excludable even if it involves a significant policy issue.

In Staff Legal Bulletin No. 14J (Oct. 23, 2018) (“SLB 14J”), the Staff explained that “[u]nlike the first consideration [of the ordinary business exclusion], which looks to a proposal’s subject
matter, the second consideration looks only to the degree to which a proposal seeks to micromanage. Thus, a proposal that may not be excludable under the first consideration may be excludable under the second if it micromanages the company.”  *Id.*

Recently, in Staff Legal Bulletin No. 14K (Oct. 16, 2019) (“SLB 14K”), the Staff further clarified that “a proposal, regardless of its precatory nature, that prescribes specific timeframes or methods for implementing complex policies . . . may be viewed as micromanaging the company.” Moreover, “the precatory nature of a proposal does not bear on the degree to which a proposal micromanages.”  *Id.* Instead, the Staff assesses the “level of prescriptiveness of the proposal,” and “if the method or strategy for implementing the action requested by the proposal is overly prescriptive, thereby potentially limiting the judgment and discretion of the board and management, the proposal may be viewed as micromanaging the company.”  *Id.* In considering arguments for exclusion based on micromanagement, the Staff noted that it “look[s] to whether the proposal seeks intricate detail or imposes a specific strategy, method, action, outcome or timeline for addressing an issue, thereby supplanting the judgment of management and the board.”  *Id.*

Finally, framing a stockholder proposal in the form of a request for a report, or including a request for annual reporting as in the Proposal, does not change the nature of the stockholder proposal. The Commission has stated that a stockholder proposal requesting the dissemination of a report may be excludable under Rule 14a-8(i)(7) if the subject matter of the report is within the ordinary business of the issuer.  *See* Exchange Act Release No. 20091 (Aug. 16, 1983). Moreover, SLB 14J reaffirmed that the framework for evaluating whether a stockholder proposal micromanages a company “applies to proposals that call for a study or report.”

**B. Company Background**

The Company maintains a robust GHG emissions management program, including reporting on GHG emissions and climate related governance, risk management, strategy, and actions and investment.¹ By way of background, the Company’s operations consist primarily of exploring for, producing and transporting crude oil and natural gas; refining, marketing and distributing transportation fuels and lubricants; manufacturing and selling petrochemicals and additives; and generating power.² Accordingly, the Company has exploration and production activities in most of the world’s major hydrocarbon basins across the United States, North and South America,


Asia, and Australia. Due to its diverse range of oil and gas assets (e.g., asset class, physical location, access requirements and logistics, partnership terms, production technology, applicable laws and regulations, etc.), and because drilling and production levels unavoidably impact emissions levels, the Company’s complex operational considerations and decision making necessarily involve emissions management on a day-to-day basis.

C. The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because It Seeks To Micromanage The Company

The Proposal describes itself as a “climate strategy resolution” that seeks “strategies for all [GHG] emissions.” To that end, the Proposal seeks to change the Company’s complex emissions management strategies by “impos[ing] a specific strategy, method, action, outcome or timeline for addressing an issue.” SLB 14K. Specifically, the Proposal seeks to:

- impose on the Company a very specific GHG emissions reduction strategy (implement a strategy that “align[s] . . . with emissions levels compatible with the goals of the Paris Climate Agreement to limit global warming well below 2°C above pre-industrial levels”);
- dictate that the GHG emissions strategy has a broad scope (include Scope 1, 2 and 3 GHG\(^3\) emissions for both the Company’s operations and the use of its energy products);
- prescribe how the Company reviews the strategy (review it regularly in accordance with best available science); and
- mandate annual reporting on the Company’s “plans and progress” in implementing this strategy with respect to all such GHG emissions.

As a result, and for the reasons described below, the Proposal micromanages the Company by prescribing the method for addressing reductions of GHG emissions, including setting emission reduction targets necessary to achieve the goals set forth in the Paris Agreement, and requiring annual reporting of the Company’s progress related thereto.

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For example, the Company reports on each of these types of emissions: direct emissions from facility sources (Scope 1), indirect emissions from electricity and steam that the Company imports (Scope 2), and two types of indirect emissions (i.e., emissions from third-party use of its products and emissions associated with electricity and steam exported to third parties) (Scope 3). See Update to Climate Change Resilience: A Framework For Decision Making at 19, available at https://www.chevron.com/-/media/shared-media/documents/update-to-climate-change-resilience.pdf.
Consistent with the guidance in the 1998 Release and as described in SLB 14J and SLB 14K, the Staff has consistently concurred that stockholder proposals similar to the Proposal that seek to direct how a company evaluates complex policies and to impose specific prescriptive methods to implement those policies attempt to micromanage a company and are excludable under Rule 14a-8(i)(7). For example, in *Wells Fargo & Co.* (avail. Mar. 5, 2019), the Staff concurred with the exclusion of a stockholder proposal requesting that the company “adopt a policy for reducing the greenhouse gas emissions resulting from its loan and investment portfolios to align with the Paris Agreement’s goal of maintaining global temperatures substantially below 2 degrees Celsius, and issue annual reports . . . describing targets, plans and progress under this policy.” In its response, the Staff noted:

> In our view, the Proposal would require the company to manage its lending and investment activities in alignment with the goals of the Paris Agreement of maintaining global temperatures substantially below 2 degrees Celsius. By imposing this overarching requirement, the proposal would micromanage the company by seeking to impose specific methods for implementing complex policies in place of the ongoing judgments of management as overseen by its board of directors.

*See also The Goldman Sachs Group, Inc.* (avail. Mar. 12, 2019) (same).

The Proposal is nearly identical to the proposals in *Wells Fargo* and *The Goldman Sachs Group*: all seek to have the company at issue adopt a GHG emissions reduction strategy; all ask that the strategy cover a wide range of company operations and activities; all require aligning that strategy with the Paris Agreement to limit global warming below 2 degrees Celsius; and all require reporting on plans and progress with respect to implementing the strategy. Thus, as with the proposals in *Wells Fargo* and *Goldman Sachs*, the Proposal “micromanage[s] the Company by seeking to impose specific methods for implementing complex policies in place of the ongoing judgments of management as overseen by its board of directors.”

The Proposal is also similar in substance and scope to other recent climate change-related precedent where the Staff concurred that the proposal was excludable because it impermissibly micromanaged the company. For example, in *Exxon Mobil Corp. (New York State Common Retirement Fund)* (avail. Apr. 2, 2019) and *Devon Energy Corp.* (avail. Mar. 4, 2019, recon. denied Apr. 1, 2019), the Staff concurred with the exclusion of substantially similar stockholder proposals requesting annual reports that “would require the company to adopt [short-, medium- and long-term GHG] targets aligned with the goals established by the Paris Climate Agreement” as “micromanage[ing] the company by seeking to impose specific methods for implementing complex policies in place of the ongoing judgments of management as overseen by [the companies’] board[s] of directors.” *See also PayPal Holdings, Inc.* (avail. Mar. 6, 2018)
(concurring with the exclusion of a stockholder proposal requesting that the company “prepare a report to shareholders that evaluates the feasibility of the [c]ompany achieving by 2030 ‘net-zero’ emissions of greenhouse gases from parts of the business directly owned and operated by the [c]ompany . . . as well as the feasibility of reducing other emissions associated with the Company’s activities,” with the Staff noting that the stockholder proposal sought to “micromanage the company by probing too deeply into matters of a complex nature”); *EOG Resources, Inc.* (avail. Feb. 26, 2018 *recon. denied* Mar. 12, 2018) (concurring with the exclusion of a stockholder proposal requesting that the company “adopt company-wide, quantitative, time-bound targets for reducing [GHG] emissions and issue a report, at reasonable cost and omitting proprietary information, discussing its plans and progress towards achieving these targets” despite the fact that the stockholder proposal did not specify a time frame, as the Staff stated that the proposal “micromanage[d] the [c]ompany by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment”); *Deere & Co.* (avail. Dec. 27, 2017); *Apple Inc.* (Jantz) (avail. Dec. 21, 2017) (both concurring with the exclusion of a stockholder proposal requesting that the company prepare a report that sought to impose a specific time frame and method for implementing complex policies related to climate change where the company had already made complex business decisions related to that issue); *Apple Inc.* (avail. Dec. 5, 2016) (concurring with the exclusion of a stockholder proposal requesting that the company “generate a feasible plan for the [c]ompany to reach a net-zero GHG emission status by the year 2030 for all aspects of the business which are directly owned by the [c]ompany and major suppliers” where the company already had a plan to reduce its carbon footprint).

The Proposal is substantively equivalent to the proposals at issue in *Devon Energy* and *Exxon Mobil*, each of which sought adoption of a GHG emission reduction strategy aligned with the Paris Agreement. Like those stockholder proposals, the Proposal requires adoption of a GHG emissions reduction strategy aligned with the Paris Agreement’s 2 degree goal, and in doing so, requests that the Company “invest accordingly in the energy transition to a net-zero-emission energy system.” The Proposal further notes the “goal of the Paris Climate Agreement is . . . to aim for a global net-zero-emission energy system.” Thus, the Proposal makes clear that the request for a GHG emissions strategy that aligns with the 2 degree goal in the Paris Agreement means that the Proposal is requesting that the Company implement “a net-zero-emission energy system” just like the stockholder proposals in the precedents discussed above. Further, the Proposal asks that the requested GHG emissions strategy cover “emissions of the company’s operations and the use of its energy products,” much like the requests that the targets cover “both the corporation’s operations and products” in the *Exxon Mobil* and *Devon Energy* proposals (emphases added). As a result, the Proposal necessarily requires setting and disclosure of GHG reduction targets similar to the *Exxon Mobil* and *Devon Energy* proposals. As such, the Proposal impermissibly micromanages the Company to the same degree as the proposals in *Exxon Mobil* and *Devon Energy* and is likewise excludable.
The Company is aware that the Staff has been unable to concur with the exclusion of a climate change proposal based on Rule 14a-8(i)(7) where the proposal, as drafted, is not overly prescriptive and defers to management’s discretion. For example, in *Anadarko Petroleum Corp.* (avail Mar. 4, 2019), the proposal requested a report “describing if, and how, [the company] plans to reduce its total contribution to climate change and align its operations and investments with the Paris Agreement’s goal . . . .” The Proposal is notably distinguishable because, rather than deferring to the Company to consider “if and how” or “whether” it can or will adopt a Paris-aligned strategy, the Proposal dictates the adoption of a Paris-aligned GHG emissions reduction strategy. The Proposal further prescribes that the strategy cover Company operations and products, including Scope 1-3 emissions, and align with the quantitative emission reduction goals and the timeline described in the Paris Agreement. Unlike in *Anadarko*, where the language was not prescriptive and deferred to management’s discretion to consider “if and how” the company could reduce its carbon footprint, here the Proposal prescribes the strategy that must be implemented. Even where the supporting statement in *Anadarko* set forth a list of actions to consider, it did so without actually directing the company to undertake those actions. As described above, the language used in this Proposal affords the Company no similar discretion and therefore impermissibly micromanages such that relief is appropriate.

The Proposal is also unlike *Ross Stores, Inc.* (avail. Mar. 29, 2019) where the proposal requested a report describing how the company “is aligning its long-term business strategy with the projected long-term constraints posed by climate change.” Similar to *Anadarko*, the supporting statement of the proposal in *Ross* asked that the company consider, “with an eye toward [] applicability,” certain actions to reduce its carbon footprint. Unlike in *Ross*, where the company was merely asked “how” it could align its strategy and asked to consider, but not necessarily undertake, certain carbon reduction efforts, here the Proposal prescribes adoption of a Paris-aligned strategy covering the Company’s Scope 1-3 emissions, and annual reporting on the progress against the disclosed emission reduction levels covered by the strategy, and therefore micromanages the Company to such a degree that exclusion is warranted.

For these reasons, the prescriptive nature of the Proposal—requiring the Company to align its GHG emissions reduction strategy with goals established by the Paris Agreement and annually report thereon—impermissibly seeks to micromanage the Company by seeking to impose a specific method for implementing complex policies in place of the ongoing judgement of management. Consistent with well-established precedent, including *Wells Fargo, Devon Energy, Exxon Mobil*, and the Staff’s recent guidance in SLB 14K, the Proposal is properly excludable under Rule 14a-8(i)(7) because it dictates the particular Company strategy to be implemented.
CONCLUSION

Based upon the foregoing analysis, we respectfully request that the Staff concur that it will take no action if the Company excludes the Proposal from its 2020 Proxy Materials.

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. Correspondence regarding this letter should be sent to shareholderproposals@gibsondunn.com. If we can be of any further assistance in this matter, please do not hesitate to call me at (202) 955-8287, or Christopher A. Butner, the Company’s Assistant Corporate Secretary and Managing Counsel, at (925) 842-2796.

Sincerely,

[Signature]

Elizabeth A. Ising

Enclosures

cc: Christopher A. Butner, Chevron Corporation
    Mark van Baal, Follow This
EXHIBIT A
Dear Mary,

We hope this e-mail finds you well.

During our engagement, and in public, your company has made known its ambition to contribute to achieving the goal of the Paris Climate Agreement.

To support your company to further your ambition in your strategy, please find attached a shareholder resolution for inclusion in the proxy statement in accordance with Rule 14a–8 of the general rules and regulations of the Securities Exchange Act of 1934.

The signatures provided on the attached resolution document and its corresponding signature log, comply with the full requirements set forth by the United States Electronic Signatures in Global and National Commerce (ESIGN) Act, and the Uniform Electronic Transactions Act (UETA), and, as such, are recognized as valid under U.S. law.

We have sent the requisition for the shareholder resolution, including the necessary signed paperwork by FedEx as well, for delivery for your attention at your Headquarters.

Would you be so kind as to confirm the receipt of this e-mail?

And, would you be so kind to confirm the receipt of the paperwork by FedEx Wednesday or Thursday?

We look forward to receiving your confirmations, and to discussing the shareholder resolution with your company.

With best regards,

Mark van Baal, Follow This

Attachments:

1. Covering letter and shareholder resolution, signed by Follow This

2. Signature log (Follow This)

3. Position statement, confirming ownership of over $2,000 in shares in your company for over a year, signed by Binck

4. Signature log (BinckBank)
5. Proof of ownership of over $2,000 in shares in your company

Best regards, Mark

Mark van Baal | Follow This | + 31 6 22 42 45 42
Shareholder Resolution

Follow This
Hillegomstraat 15
1058 LN Amsterdam, Netherlands
+31 6 22 42 45 42
markvanbaal@follow-this.org

Mary A. Francis,
Corporate Secretary and Chief Governance Officer
Chevron Corporation
6001 Bollinger Canyon Road, San Ramon
CA 94583-2324
United States
Tel: +1 925 842 3232
Fax: +1 925 842 6047
E-mail: MFrancis@chevron.com

Amsterdam, 9 December, 2019

Subject: Requisition for shareholder resolution

Dear Mary,

We hope this letter finds you well.

During our engagement, and in public, your company has made known its ambition to contribute to achieving the goal of the Paris Climate Agreement.

To support your company to further your ambition in your strategy, please find attached a shareholder resolution for inclusion in the proxy statement in accordance with Rule 14 a – 8 of the general rules and regulations of the Securities Exchange Act of 1934.

The shareholder resolution provides the opportunity for shareholders to support your company to align its strategy with emission levels compatible with the goal of the Paris Climate Agreement.

We or a representative will attend the annual meeting to move the resolution as required by SEC rules.

We are the beneficial owner of 26 shares of common stock in your company. Please, find proof by BinckBank N.V. of this ownership enclosed. We have held the requisite amount of stock for over a year and intend to maintain ownership through the annual meeting of 2020.

Please find also attached, a letter in which BinckBank declares that it has held, continuously, on behalf of Follow This 26 shares of common stock in your company since 23 November, 2018 through this day.

Please, do not hesitate to contact us in case you have any questions. In case of missing or incomplete documents please let us know immediately so we can arrange this by return.

We are look forward to receive your confirmation of the receipt of this requisition.

Yours sincerely,

Mark van Baal

Signature

Date

Mark van Baal, Follow This

Attachments:

1. Shareholder resolution, signed by Follow This
2. Position statement, confirming ownership of 26 shares of common stock in your company for over a year, signed by BinckBank
3. Proof of ownership of 26 shares in your company
Resolved: Shareholders request the company to align its strategy with emission levels compatible with the goal of the Paris Climate Agreement to limit global warming to well below 2°C above pre-industrial levels.

The strategy should cover the greenhouse gas (GHG) emissions of the company’s operations and the use of its energy products (Scope 1, 2, and 3), and be reviewed regularly in accordance with best available science.

Shareholders request that annual reporting include information about plans and progress to execute this strategy (at reasonable cost and omitting proprietary information).

You have our support.

Supporting statement

The oil and gas industry can make or break the goal of the Paris Climate Agreement. Therefore, oil and gas companies need the support of their shareholders to (1) align their strategies with the goal of the Paris Climate Agreement, and (2) to invest accordingly in the energy transition to a net-zero-emission energy system.

Fiduciary duty

We, the shareholders, understand this support to be part of our fiduciary duty. A growing international consensus has emerged among financial institutions that climate-related risks are a source of financial risk, and therefore achieving the goal of Paris is essential to risk management and responsible stewardship of the economy. Institutional investors foresee that they cannot make a decent return on capital in a world economy disrupted by devastating climate change.

Scope 3

Reducing emissions from the use of energy products (Scope 3) is crucial to achieving the goal of the Paris Climate Agreement. This climate strategy resolution reflects our belief that we need strategies for all emissions (Scope 1, 2, and 3) across the whole energy sector.

Emissions reductions

The goal of the Paris Climate Agreement is to limit global warming to well below 2°C above pre-industrial levels, to aim for a global net-zero-emission energy system, and to pursue efforts to limit the temperature increase to 1.5°C.

To reach that goal, the IPCC special report *Global Warming of 1.5°C (2018)* indicates that absolute net energy-related emissions should be reduced by approximately 70% (2°C) * to 100% (1.5°C) by 2050 relative to 2016.

With an expected growth of energy demand of around 40%, the net carbon intensity of energy products (CO2 per unit of energy) should be reduced by approximately 80% (2°C) to 100% (1.5°C) by 2050.

* median of the IPCC Lower-2°C pathway group

We believe the company could thrive in the energy transition. We therefore encourage you to execute a Paris-aligned strategy, allowing the company to meet increasing demand for energy while reducing GHG emissions to levels compatible with the global intergovernmental consensus of the Paris Climate Agreement.

You have our support.

Mark van Baal

__________________________________________  9 December 2019
Signature                                  Date
Mark van Baal, Follow This
Dear Mark,

Thank you for providing your consent as well as signature on this Resolution and Support Statement.

Regards,
Matthew

Mark van Baal

Mark van Baal

84.87.139.84
Mozilla/5.0 (Macintosh; Intel Mac OS X 10_13_6) AppleWebKit/605.1.15 (KHTML, like Gecko) Version/13.0.3 Safari/605.1.15
9 Dec 2019, 6:47 p.m. (UTC)
Amsterdam, December 9, 2019

Herewith BinckBank declares that it has held, continuously, on behalf of Follow This 26 shares of common stock of Chevron since November 23, 2018 through this day. These shares are held by Pershing Limited in account number ****.

Pershing Limited, as BinckBank’s DTC provider, has held, continuously, on behalf of BinckBank in Amsterdam, at least 26 shares of common stock of Chevron since November 23, 2018 through this day.

Please find attached the current position.

Stephan Lugtenburg
Business Leader Client Services
BinckBank
Barbara Strozzilaan 310, 1083 HN Amsterdam, Netherlands
E-mail: SLugtenburg@binck.nl
Dear Stephan,

Thank you for providing your consent as well as signature on this Position Statement.

Regards,
Matthew

Stephan Lugtenburg

9 Dec 2019, 6:35 p.m. (UTC)
**Portefeuilleoverzicht per 08/12/2019**

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**Totale portefeuillewaarde**

**Geldrekening Binck**

**EUR rekening**

**USD rekening**

**Totaal rekening-courant saldi**

**Totale portefeuillewaarde en rekening-courant saldi**

Slotkoersen per 08/12/2019 van vreemde valuta in EUR

- 1 Engelse Pond (GBP) = 1,184091 EUR
- 1 Noorse Kroon (NOK) = 0,098780 EUR
- 1 Amerikaanse Dollar (USD) = 0,901388 EUR
Delivered
Thursday 12/12/2019 at 8:29 am

FROM
AMSTERDAM, NH NL

TO
SAN RAMON, CA US

Shipment Facts

TRACKING NUMBER
777196113550

SERVICE
FedEx International Priority

WEIGHT
1.1 lbs / 0.5 kgs

CLEARANCE DETAIL LINK

DELIVERED TO
Receptionist/Front Desk

TOTAL PIECES
1

TOTAL SHIPMENT WEIGHT
1.1 lbs / 0.5 kgs

TERMS
Shipper

PACKAGING
FedEx Envelope

SPECIAL HANDLING SECTION
Deliver Weekday

STANDARD TRANSIT
12/11/2019 by 10:30 am

SHIP DATE
Tue 12/10/2019

ACTUAL DELIVERY
Thu 12/12/2019 8:29 am

Travel History

Thursday , 12/12/2019

8:29 am  SAN RAMON, CA  Delivered

8:03 am  PLEASANTON, CA  On FedEx vehicle for delivery

7:03 am  PLEASANTON, CA  At local FedEx facility

https://www.fedex.com/apps/fedextrack/?tracknumbers=777196113550
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</tbody>
</table>
Mr. van Baal, please see the attached.

Best,

Chris
December 12, 2019

Sent via email and overnight delivery:

markvanbaal@follow-this.org

Mark van Baal
Hillegomstraat 15
1058 LN Amsterdam, Netherlands

Re: Stockholder Proposal

Dear Mr. Van Baal,

On December 10, 2019, we received your letter, dated December 9, 2019, submitting a stockholder proposal for Follow This ("Proponent"), for inclusion in Chevron's proxy statement and proxy for its 2020 annual meeting of stockholders. By way of rules adopted pursuant to the Securities Exchange Act of 1934, the U.S. Securities and Exchange Commission has prescribed certain procedural and eligibility requirements for the submission of proposals to be included in a company's proxy materials. I write to provide notice of certain defects in your submission, specifically proof of ownership of Chevron stock.

Pursuant to Exchange Act Rule 14a-8(b), to be eligible to submit a proposal, the Proponent must be a Chevron stockholder, either as a registered holder or as a beneficial holder (i.e., a street name holder), and must have continuously held at least $2,000 in market value or 1% of Chevron's shares entitled to be voted on the proposal at the annual meeting for at least one year as of the date the proposal is submitted. Chevron's stock records for its registered holders do not indicate that the Proponent is a registered holder. Exchange Act Rule 14a-8(b)(2) and SEC staff guidance provide that if the Proponent is not a registered holder the Proponent must prove share position and eligibility by submitting to Chevron either:

1. a written statement from the "record" holder of the Proponent's shares (usually a broker or bank) verifying that the Proponent has continuously held the required value or number of shares for at least the one-year period preceding and including the date the proposal was submitted, which was December 10, 2019 (Chevron views December 10, 2019 as the submission date because it was the date the proposal was both (i) emailed to Chevron and (ii) postmarked by FedEx in mail correspondence Chevron received); or
2. a copy of a filed Schedule 13D, Schedule 13G, Form 3, Form 4, Form 5, or amendments to those documents or updated forms, reflecting Proponent ownership of the required value or number of shares as of or before the date on which the one-year eligibility period begins and any subsequent amendments reporting a change in ownership level, along with a written statement that the Proponent has owned the required value or number of shares continuously for at least one year as of the date the proposal was submitted (December 10, 2019).

Your letter did not include sufficient proof of the Proponent’s ownership of Chevron stock because the position statement dated December 9, 2019 was signed by BinckBank, and Binckbank is not a DTC participant; further although this position statement states that Pershing Limited is “BinckBank’s DTC provider,” we did not receive any proof of the Proponent’s ownership of Chevron stock from Pershing Limited. By this letter, I am requesting that you provide to us acceptable documentation that the Proponent has held the required value or number of shares to submit a proposal continuously for at least the one-year period preceding and including the December 10, 2019 date the proposal was submitted.

In this regard, I direct your attention to the SEC’s Division of Corporation Finance Staff Legal Bulletin No. 14 (at C(1)(c)(1)-(2)), which indicates that, for purposes of Exchange Act Rule 14a-8(b)(2), written statements verifying ownership of shares “must be from the record holder of the shareholder’s securities, which is usually a broker or bank.” Further, 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.), and the Division of Corporation Finance advises that, for purposes of Exchange Act Rule 14a-8(b)(2), only DTC participants or affiliates of DTC participants “should be viewed as ‘record’ holders of securities that are deposited at DTC.” (Staff Legal Bulletin No. 14F at B(3) and No. 14G at B(1)-2)). (Copies of these and other Staff Legal Bulletins containing useful information for proponents when submitting proof of ownership to companies can be found on the SEC’s web site at: http://www.sec.gov/interps/legal.shtml.) You can confirm whether the Proponent’s broker or bank is a DTC participant by asking the 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.pdf

Please note that because BinckBank (the Proponent’s broker or bank) is not a DTC participant, you need to submit proof of ownership from the DTC participant (which BinckBank states is Pershing Limited) through which the shares are held verifying that the Proponent has continuously held the requisite number of Chevron shares for at least the one-year period preceding and including the date the proposal was submitted (December 10, 2019). You should be able to find out or confirm the identity of the DTC participant by asking the Proponent’s broker or bank. If the broker is an introducing broker, you may also be able to learn the identity and telephone number of the DTC participant through the Proponent’s account statements, because the clearing broker identified on the account statements will generally be a DTC participant.
Consistent with the above, if the Proponent intends to demonstrate ownership by submitting a written statement from the "record" holder of the Proponent's shares, please provide to us a written statement from the DTC participant record holder of the Proponent's shares verifying (a) that the DTC participant is the record holder, (b) the number of shares held in the Proponent's name, and (c) that the Proponent has continuously held the required value or number of Chevron shares for at least the one-year period preceding and including the December 10, 2019 date the proposal was submitted. Additionally, if the DTC participant that holds the Proponent's shares is not able to confirm individual holdings but is able to confirm the holdings of the Proponent's broker or bank, then the Proponent will need to satisfy the proof of ownership requirements by obtaining and submitting two proof of ownership statements verifying that, for at least the one-year period preceding and including the date the proposal was submitted (December 10, 2019), the requisite number of Chevron shares were continuously held. The first statement should be from the Proponent's broker or bank confirming the Proponent's ownership. The second statement should be from the DTC participant confirming the broker or bank's ownership.

Your response may be sent to my attention by U.S. Postal Service or overnight delivery at the address above or by email (cbutner@chevron.com). Pursuant to Exchange Act Rule 14a-8(f), your response must be postmarked or transmitted electronically no later than 14 days from the date you receive this letter.

Copies of Exchange Act Rule 14a-8 and Staff Legal Bulletin No. 14F are enclosed for your convenience. Thank you, in advance, for your attention to this matter.

Sincerely,

Christopher A. Butner
§ 240.14a-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:
Less than 3% of the vote if proposed once within the preceding 5 calendar years;

Less than 6% of the vote on its last submission to shareholders if proposed twice previously within the preceding 5 calendar years; or

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

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 it 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://www.sec.gov/forms/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.¹

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.² 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.³

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.⁴ 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.⁵

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.⁶ 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 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, 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.

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**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.

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).10 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]."11

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).\textsuperscript{12} 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.\textsuperscript{13}

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,\textsuperscript{14} 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.\textsuperscript{15}

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.16

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.

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1 See Rule 14a-8(b).

2 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.").
3 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).

4 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.


7 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.

8 Techne Corp. (Sept. 20, 1988).

9 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.

10 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.

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

12 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.

13 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.


15 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.

16 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.


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15 January 2020
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Dear Chris,

Thank you so much for your swift response and the detailed information about the additional proof of ownership that you like us to provide within 2 weeks. Very much appreciated.

We will get back to you on Monday with draft letters (to be signed by our broker and its DTC provider) for your review.

With best regards,

Mark

Follow This is a group of over 5,000 green shareholders in oil and gas companies.

The Follow This Climate Resolutions support oil and gas companies to set Paris-aligned targets for all emissions.

Our mission: Oil and gas companies truly commit to the Paris Climate Agreement and invest accordingly.
Dear Chris,

Following the below e-mail, thank you again for your kind and clear assistance, please find below letters we drafted for our broker (Binckbank) and its DTC provider and record holder (Pershing Limited) to sign.

Could you have a look at these short and hopefully concise letters and confirm if these letters with electronic signatures would complete our requisition.

In other words: would the submission of the proposal when completed by these two signed addendums meet the procedural and eligibility requirements set out by the SEC to be included in the company’s proxy materials?

At the risk of stating the obvious: provided that Chevron does not apply for a ‘no action’ letter that is accepted by the SEC next year, which we hope you will not do, given the supportive nature or the shareholder resolution.

Looking forward to hearing from you soon,

Thank you in advance, Mark van Baal

DRAFTS OF ADDENDUM TO BE SIGNED BY BROKER AND DTC PROVIDER / RECORD HOLDER:

1. Amsterdam, .. December, 2019

Subject: Proof of ownership Chevron shares for at least the one-year period preceding and including the date the proposal was submitted (December 10, 2019).

Herewith, BinckBank, as the broker of Follow This, declares that it has continuously held, on behalf of Follow This, 26 of Chevron shares since December 1, 2018, through the present day.

These shares are held by Pershing Limited in account number ***.

2. .., .. December, 2019

Subject: Proof of ownership Chevron shares for at least the one-year period preceding and including the date the proposal was submitted (December 10, 2019).

Herewith, Pershing Limited, as BinckBank’s Deposit Trust Company (DTC) provider and record holder, declares that it have continuously held, on behalf of BinckBank, at least 26 of Chevron shares since December 1, 2018, through the present day.
Mark, the shares should be tied to Follow This, which I believe can be demonstrated by the yellow language below.

Best,
Chris

---

Dear Chris,

Following the below e-mail, thank you again for your kind and clear assistance, please find below letters we drafted for our broker (Binckbank) and its DTC provider and record holder (Pershing Limited) to sign.

Could you have a look at these short and hopefully concise letters and confirm if these letters with electronic signatures would complete our requisition.

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Thank you in advance, Mark van Baal

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These shares are held by Pershing Limited in account number ***

2. ..., .. December, 2019

Subject: Proof of ownership Chevron shares for at least the one-year period preceding and including the date the proposal was submitted (December 10, 2019).

Herewith, Pershing Limited, as BinckBank’s Deposit Trust Company (DTC) provider and record holder, declares that it have continuously held, on behalf of BinckBank for the benefit of Follow This, at least 26 of Chevron shares since December 1, 2018, through the present day.

... Pershing Limited
Dear Chris, thank you so much for your swift response, we will ask BinckBank and Pershing if they can add these words, Mark
Dear Chris,

Thank you so much for your continued support.

Could you confirm that electronic signatures of BinckBank and Pershing Limited would be sufficient?

For your information, at the risk of stating the obvious: The signatures to be provided on the documents and its corresponding signature log, comply with the full requirements set forth by the United States Electronic Signatures in Global and National Commerce (ESIGN) Act, and the Uniform Electronic Transactions Act (UETA), and, as such, are recognized as valid under U.S. law.

Thank you in advance,

Best regards, Mark

Op 17 dec. 2019, om 13:09 heeft Mark van Baal | Follow This <markvanbaal@follow-this.org> het volgende geschreven:

Could you have a look at these short and hopefully concise letters and confirm if these letters with electronic signatures would complete our requisition.
Dear Chris,

Thank you so much for your continued support.

Could you confirm that electronic signatures of BinckBank and Pershing Limited would be sufficient?

For your information, at the risk of stating the obvious: The signatures to be provided on the documents and its corresponding signature log, comply with the full requirements set forth by the United States Electronic Signatures in Global and National Commerce (ESIGN) Act, and the Uniform Electronic Transactions Act (UETA), and, as such, are recognized as valid under U.S. law.

Thank you in advance,

Best regards, Mark

Op 17 dec. 2019, om 13:09 heeft Mark van Baal | Follow This <markvanbaal@follow-this.org> het volgende geschreven:

Could you have a look at these short and hopefully concise letters and confirm if these letters with electronic signatures would complete our requisition.
Mark, are you not able to have them signed and sent to you in a pdf?
Dear Chris,

Thank you for your response. Per your request, we will ask for PDFs of the signed documents and send these to you by e-mail.

Per your request, BinckBank requested Pershing Limited to add ‘for the benefit of Follow This’. This is indeed the most straightforward way to confirm proponent’s ownership.

In case that cannot add these words, could you confirm if the following is sufficient for you as well (based on the second last paragraph of your letter)?

In case the DTC participant cannot confirm individual holdings (so is not able to add ‘for the benefit of Follow This’) we will provide two proof of ownership:

(1) statement from the Proponent’s broker or bank confirming the Proponent’s ownership (for over a year)

(2) statement from the DTC participant confirming the broker or bank’s ownership (for over a year)

Thank you in advance for your help. It is very much appreciated,

Mark
Mark, yes, the items highlighted below are all that we need. Please ensure the statement is on the bank’s letterhead. Thanks.

From: Mark van Baal | Follow This
Sent: Wednesday, December 18, 2019 6:25 AM
To: Butner, Christopher A (CButner)
Cc: mckenzieursch@follow-this.org; elienolland@follow-this.org; maurynjonkhout@follow-this.org; Mirte Boot
Subject: [**EXTERNAL**] Re: Re: Requisition for a shareholder resolution

Dear Chris,

Thank you for your response. Per your request, we will ask for PDFs of the signed documents and send these to you by e-mail.

Per your request, BinckBank requested Pershing Limited to add ‘for the benefit of Follow This’. This is indeed the most straightforward way to confirm proponent’s ownership.

In case that cannot add these words, could you confirm if the following is sufficient for you as well (based on the second last paragraph of your letter)?

In case the DTC participant cannot confirm individual holdings (so is not able to add ‘for the benefit of Follow This’) we will provide two proof of ownership:

1) statement from the Proponent’s broker or bank confirming the Proponent’s ownership (for over a year)

2) statement from the DTC participant confirming the broker or bank’s ownership (for over a year)

Thank you in advance for your help. It is very much appreciated,

Mark
Mark, when you say statement, I presume you mean letter. The letter from BinckBank that you initially provided on December 9 is fine, but please also supply a similar letter from Pershing that states that BinckBank holds the shares and has continuously held the shares for at least one year prior to and including December 9. It is fine if they cannot say for the benefit of Follow This.
Dear Chris,

Thank you for your continued and swift support in this process.
Per your request of December 13, please find attached the proof of ownership that you requested.
We hope these documents complete the requisition for the shareholder resolution and that the requisition now meets the procedural and eligibility requirements set out by the SEC to be included in the company’s proxy materials (provided that Chevron does not apply for a ‘no action’ letter and that the SEC accepts the argument(s)).
Since Pershing states that there are legal impediments to declaring that it has held these shares continuously since December 1, 2018, please find attached a document in which BinckBank declares and proves that Pershing as record holder of Chevron has held these shares continuously on behalf of BinckBank.
Therefore, Follow This is the beneficial owner of 26 shares of common stock in your company. We intend to maintain ownership through the annual meeting of 2020, and we or a representative will attend the annual meeting to move the resolution as required by SEC rules.

Please, do not hesitate to contact us in case you have any questions. In case of missing or incomplete documents please let us know immediately so we can arrange this by return. We very much appreciated your swift response in the first instance.

As additional proof of ownership for at least the one-year period preceding December 10, 2019, please find attached BinckBank’s monthly statements of December 2018 (December 1-31) and November 2019 (November 1-30). These statements show that BinckBank holds shares in this account in numbers far exceeding the required 26 shares.

Finally, in 2018, when Follow This co-filed the Arjuna Capital Resolution, the proof of ownership of BinckBank (without a proof of ownership of Pershing) was sufficient proof of ownership to co-file a shareholder resolution.

We are looking forward to receiving your confirmation of the receipt of these documents, and subsequently that the requisition now meets the procedural and eligibility requirements set out by the SEC to be included in the company’s proxy materials.

For now: we wish you nice festive days and a prosperous 2020,

With best regards, Mark

Attachment 1: Chevron - Proof of ownership
Attachment 2: Chevron in BinckBank’s account Dec18
Attachment 3: Chevron in BinckBank’s account Nov19
Amsterdam, 24 December, 2019

Subject: Proof of ownership Chevron shares for at least the one-year period preceding and including December 10, 2019

Herewith, BinckBank, as the broker of Follow This, declares that it has continuously held, on behalf of Follow This, 26 of Chevron shares since December 1, 2018, through the present day.

These shares are held by Pershing Limited ("Pershing"), DTCC#0443, in account number *** ("BinckBank’s account").

Per the contractual agreement between BinckBank and Pershing, Pershing, as BinckBank’s Deposit Trust Company (DTC) provider, holds the number of Chevron shares in BinckBank’s account on behalf of BinckBank as record holder in Chevron.

Therefore, Pershing Limited, as BinckBank’s DTC provider and record holder, has continuously held, on behalf of BinckBank at least 26 of Chevron shares since December 1, 2018, through the present day.

With best regards,

Stephan Lugtenburg
Business Leader Client Services
BinckBank
Barbara Strozzielaan 310, 1083 HN Amsterdam, Netherlands
E-mail: SLugtenburg@binck.nl
### Portfolio Holdings (continued)

**U.S. DOLLARS (continued)**

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Mark, Pershing should be able to provide proof of ownership by BinckBank for one year preceding and including December 10, 2019. Are you not able to obtain it from Pershing?
EXHIBIT E
Dear Chris,

Please find attached two additional overviews of Binckbank’s account at Pershing of 31Dec’18 and 10Dec’19.

These overviews, together with the overviews we sent in the previous mail, show that Pershing holds shares in Chevron on behalf of BinckBank in this account in numbers (in the column ‘Quantity’) far exceeding the required shares in the required period.

We are looking forward to receiving your confirmation of the receipt of these documents, and subsequently that the requisition now meets the procedural and eligibility requirements set out by the SEC to be included in the company’s proxy materials.

Please let us know in case you need more information.

We are looking forward to hearing from you,

With best regards, Mark
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Mark, these are not sufficient. Pershing, as a DTC participant should be accustomed to providing a proof of ownership as outlined in my letter to you dated December 12, 2019 (attached again for your convenience).

Best regards,

Chris
December 12, 2019

Sent via email and overnight delivery:

markvanbaal@follow-this.org

Mark van Baal
Hillegomstraat 15
1058 LN Amsterdam, Netherlands

Re: Stockholder Proposal

Dear Mr. Van Baal,

On December 10, 2019, we received your letter, dated December 9, 2019, submitting a stockholder proposal for Follow This ("Proponent"), for inclusion in Chevron's proxy statement and proxy for its 2020 annual meeting of stockholders. By way of rules adopted pursuant to the Securities Exchange Act of 1934, the U.S. Securities and Exchange Commission has prescribed certain procedural and eligibility requirements for the submission of proposals to be included in a company's proxy materials. I write to provide notice of certain defects in your submission, specifically proof of ownership of Chevron stock.

Pursuant to Exchange Act Rule 14a-8(b), to be eligible to submit a proposal, the Proponent must be a Chevron stockholder, either as a registered holder or as a beneficial holder (i.e., a street name holder), and must have continuously held at least $2,000 in market value or 1% of Chevron's shares entitled to be voted on the proposal at the annual meeting for at least one year as of the date the proposal is submitted. Chevron's stock records for its registered holders do not indicate that the Proponent is a registered holder. Exchange Act Rule 14a-8(b)(2) and SEC staff guidance provide that if the Proponent is not a registered holder the Proponent must prove share position and eligibility by submitting to Chevron either:

1. a written statement from the "record" holder of the Proponent's shares (usually a broker or bank) verifying that the Proponent has continuously held the required value or number of shares for at least the one-year period preceding and including the date the proposal was submitted, which was December 10, 2019 (Chevron views December 10, 2019 as the submission date because it was the date the proposal was both (i) emailed to Chevron and (ii) postmarked by FedEx in mail correspondence Chevron received); or
2. a copy of a filed Schedule 13D, Schedule 13G, Form 3, Form 4, Form 5, or amendments to those documents or updated forms, reflecting Proponent ownership of the required value or number of shares as of or before the date on which the one-year eligibility period begins and any subsequent amendments reporting a change in ownership level, along with a written statement that the Proponent has owned the required value or number of shares continuously for at least one year as of the date the proposal was submitted (December 10, 2019).

Your letter did not include sufficient proof of the Proponent's ownership of Chevron stock because the position statement dated December 9, 2019 was signed by BinckBank, and Binckbank is not a DTC participant; further although this position statement states that Pershing Limited is "BinckBank's DTC provider," we did not receive any proof of the Proponent's ownership of Chevron stock from Pershing Limited. By this letter, I am requesting that you provide to us acceptable documentation that the Proponent has held the required value or number of shares to submit a proposal continuously for at least the one-year period preceding and including the December 10, 2019 date the proposal was submitted.

In this regard, I direct your attention to the SEC's Division of Corporation Finance Staff Legal Bulletin No. 14 (at C(1)(c)(1)-(2)), which indicates that, for purposes of Exchange Act Rule 14a-8(b)(2), written statements verifying ownership of shares "must be from the record holder of the shareholder's securities, which is usually a broker or bank." Further, 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.), and the Division of Corporation Finance advises that, for purposes of Exchange Act Rule 14a-8(b)(2), only DTC participants or affiliates of DTC participants "should be viewed as 'record' holders of securities that are deposited at DTC." (Staff Legal Bulletin No. 14F at B(3) and No. 14G at B(1)-(2)). (Copies of these and other Staff Legal Bulletins containing useful information for proponents when submitting proof of ownership to companies can be found on the SEC's web site at: http://www.sec.gov/interps/legal.shtml.) You can confirm whether the Proponent's broker or bank is a DTC participant by asking the 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.pdf

Please note that because BinckBank (the Proponent's broker or bank) is not a DTC participant, you need to submit proof of ownership from the DTC participant (which BinckBank states is Pershing Limited) through which the shares are held verifying that the Proponent has continuously held the requisite number of Chevron shares for at least the one-year period preceding and including the date the proposal was submitted (December 10, 2019). You should be able to find out or confirm the identity of the DTC participant by asking the Proponent's broker or bank. If the broker is an introducing broker, you may also be able to learn the identity and telephone number of the DTC participant through the Proponent's account statements, because the clearing broker identified on the account statements will generally be a DTC participant.
Consistent with the above, if the Proponent intends to demonstrate ownership by submitting a written statement from the "record" holder of the Proponent’s shares, please provide to us a written statement from the DTC participant record holder of the Proponent’s shares verifying (a) that the DTC participant is the record holder, (b) the number of shares held in the Proponent’s name, and (c) that the Proponent has continuously held the required value or number of Chevron shares for at least the one-year period preceding and including the December 10, 2019 date the proposal was submitted. Additionally, if the DTC participant that holds the Proponent’s shares is not able to confirm individual holdings but is able to confirm the holdings of the Proponent’s broker or bank, then the Proponent will need to satisfy the proof of ownership requirements by obtaining and submitting two proof of ownership statements verifying that, for at least the one-year period preceding and including the date the proposal was submitted (December 10, 2019), the requisite number of Chevron shares were continuously held. The first statement should be from the Proponent’s broker or bank confirming the Proponent’s ownership. The second statement should be from the DTC participant confirming the broker or bank’s ownership.

Your response may be sent to my attention by U.S. Postal Service or overnight delivery at the address above or by email (cbutner@chevron.com). Pursuant to Exchange Act Rule 14a-8(f), your response must be postmarked or transmitted electronically no later than 14 days from the date you receive this letter.

Copies of Exchange Act Rule 14a-8 and Staff Legal Bulletin No. 14F are enclosed for your convenience. Thank you, in advance, for your attention to this matter.

Sincerely,

Christopher A. Butner
§ 240.14a-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 ($240.13g-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 rules, § 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://www.sec.gov/forms/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.1

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.2 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.3

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.4 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.5

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.6 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 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, 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.

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).10 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].”11

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). 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.

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, 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.

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.16

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.

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1 See Rule 14a-8(b).

2 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.").
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).

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.


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.

Techne Corp. (Sept. 20, 1988).

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.

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.

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

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.

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.

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

15 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.

16 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.

Dear Chris,

Best wishes for 2020. Please find below the proof of continuous ownership from Pershing (for your information: Pershing’s said legal impediments were in the word ‘continuously’ - these needed to be cleared - thank you for your help - we indirectly used your clear formulation ‘Pershing, as a DTC participant should be accustomed to providing a proof of ownership’).

For your convenience we also attached the requisition for the shareholder resolution and Binck’s proof of continuous ownership.

We trust that these documents reconfirm that Follow This is the beneficial owner of the required number of shares of common stock in your company during the required period. We intend to maintain ownership through the annual meeting of 2020, and we or a representative will attend the annual meeting to move the resolution as required by SEC rules.

We are looking forward to receiving your confirmation of the receipt of these documents, and subsequently that these documents meet the procedural and eligibility requirements set out by the SEC to be included in the company’s proxy materials (provided that Chevron does not apply for a ‘no action’ letter and that the SEC accepts the argument(s)).

Please, do not hesitate to contact us in case you have any questions.

Thank you again very much for your guidance. We are looking forward to hearing from you,

With best regards, Mark
Regards, Tim
Timothy Walsh | Director – Global Client Relationships | Pershing LLC, a BNY Mellon Company
www.pershing.com | O: 201-413-2636 | M: 908-447-5282 tpwalsh@pershing.com
Amsterdam, 24 December, 2019

Subject: Proof of ownership Chevron shares for at least the one-year period preceding and including December 10, 2019

Herewith, BinckBank, as the broker of Follow This, declares that it has continuously held, on behalf of Follow This, 26 of Chevron shares since December 1, 2018, through the present day.

These shares are held by Pershing Limited (“Pershing”), DTCC#0443, in account number *** (“BinckBank’s account”).

Per the contractual agreement between BinckBank and Pershing, Pershing, as BinckBank’s Deposit Trust Company (DTC) provider, holds the number of Chevron shares in BinckBank’s account on behalf of BinckBank as record holder in Chevron.

Therefore, Pershing Limited, as BinckBank’s DTC provider and record holder, has continuously held, on behalf of BinckBank at least 26 of Chevron shares since December 1, 2018, through the present day.

With best regards,

Stephan Lugtenburg
Business Leader Client Services
BinckBank
Barbara Stroziliaan 310, 1083 HN Amsterdam, Netherlands
E-mail: SLugtenburg@binck.nl
Dear Mark,

Thank you for providing your consent as well as signature on this Resolution and Support Statement.

Regards,
Matthew

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Email address verification: Not verified by SignRequest

Email address verification: Verified by SignRequest
Subject: Requisition for shareholder resolution

Dear Mary,

We hope this letter finds you well.

During our engagement, and in public, your company has made known its ambition to contribute to achieving the goal of the Paris Climate Agreement.

To support your company to further your ambition in your strategy, please find attached a shareholder resolution for inclusion in the proxy statement in accordance with Rule 14a-8 of the general rules and regulations of the Securities Exchange Act of 1934.

The shareholder resolution provides the opportunity for shareholders to support your company to align its strategy with emission levels compatible with the goal of the Paris Climate Agreement.

We or a representative will attend the annual meeting to move the resolution as required by SEC rules.

We are the beneficial owner of 26 shares of common stock in your company. Please, find proof by BinckBank N.V. of this ownership enclosed. We have held the requisite amount of stock for over a year and intend to maintain ownership through the annual meeting of 2020.

Please find also attached, a letter in which BinckBank declares that it has held, continuously, on behalf of Follow This 26 shares of common stock in your company since 23 November, 2018 through this day.

Please, do not hesitate to contact us in case you have any questions. In case of missing or incomplete documents please let us know immediately so we can arrange this by return.

We are look forward to receive your confirmation of the receipt of this requisition.

Yours sincerely,

Mark van Baal

Signature Date

9 December 2019

Mark van Baal, Follow This

Attachments:
1. Shareholder resolution, signed by Follow This
2. Position statement, confirming ownership of 26 shares of common stock in your company for over a year, signed by BinckBank
3. Proof of ownership of 26 shares in your company
Resolved: Shareholders request the company to align its strategy with emission levels compatible with the goal of the Paris Climate Agreement to limit global warming to well below 2°C above pre-industrial levels.

The strategy should cover the greenhouse gas (GHG) emissions of the company’s operations and the use of its energy products (Scope 1, 2, and 3), and be reviewed regularly in accordance with best available science.

Shareholders request that annual reporting include information about plans and progress to execute this strategy (at reasonable cost and omitting proprietary information).

You have our support.

Supporting statement

The oil and gas industry can make or break the goal of the Paris Climate Agreement. Therefore, oil and gas companies need the support of their shareholders to (1) align their strategies with the goal of the Paris Climate Agreement, and (2) to invest accordingly in the energy transition to a net-zero-emission energy system.

Fiduciary duty

We, the shareholders, understand this support to be part of our fiduciary duty. A growing international consensus has emerged among financial institutions that climate-related risks are a source of financial risk, and therefore achieving the goal of Paris is essential to risk management and responsible stewardship of the economy. Institutional investors foresee that they cannot make a decent return on capital in a world economy disrupted by devastating climate change.

Scope 3

Reducing emissions from the use of energy products (Scope 3) is crucial to achieving the goal of the Paris Climate Agreement. This climate strategy resolution reflects our belief that we need strategies for all emissions (Scope 1, 2, and 3) across the whole energy sector.

Emissions reductions

The goal of the Paris Climate Agreement is to limit global warming to well below 2°C above pre-industrial levels, to aim for a global net-zero-emission energy system, and to pursue efforts to limit the temperature increase to 1.5°C.

To reach that goal, the IPCC special report *Global Warming of 1.5°C (2018)* indicates that absolute net energy-related emissions should be reduced by approximately 70% (2°C) * to 100% (1.5°C) by 2050 relative to 2016.

With an expected growth of energy demand of around 40%, the net carbon intensity of energy products (CO2 per unit of energy) should be reduced by approximately 80% (2°C) to 100% (1.5°C) by 2050.

* median of the IPCC Lower-2°C pathway group

We believe the company could thrive in the energy transition. We therefore encourage you to execute a Paris-aligned strategy, allowing the company to meet increasing demand for energy while reducing GHG emissions to levels compatible with the global intergovernmental consensus of the Paris Climate Agreement.

You have our support.

Mark van Baal, Follow This

Signature Date

Mark van Baal, Follow This