



Margaret M. Madden
Senior Vice President and Corporate Secretary
Chief Governance Counsel

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BY EMAIL (shareholderproposals@sec.gov)

December 18, 2020

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

RE: Pfizer Inc. – 2021 Annual Meeting
Omission of Shareholder Proposal of The City
of Philadelphia Public Employees Retirement System

Ladies and Gentlemen:

We are writing pursuant to Rule 14a-8(j) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), to request that the Staff of the Division of Corporation Finance (the “Staff”) of the Securities and Exchange Commission (the “Commission”) concur with our view that, for the reasons stated below, Pfizer Inc., a Delaware corporation (“Pfizer”), may exclude the shareholder proposal and supporting statement (the “Proposal”) submitted by The City of Philadelphia Public Employees Retirement System (the “Proponent”) from the proxy materials to be distributed by Pfizer in connection with its 2021 annual meeting of shareholders (the “2021 proxy materials”).

In accordance with Section C of Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”), we are emailing this letter and its attachments to the Staff at shareholderproposals@sec.gov. In accordance with Rule 14a-8(j), we are simultaneously sending a copy of this letter and its attachments to the Proponent as notice of Pfizer’s intent to omit the Proposal from the 2021 proxy materials.

Rule 14a-8(k) and Section E of SLB 14D provide that shareholder proponents are required to send companies a copy of any correspondence that the shareholder proponents elect to submit to the Commission or the Staff. Accordingly, we are taking this opportunity to remind the Proponent that if the Proponent submits correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should concurrently be furnished to the undersigned.

I. The Proposal

The text of the resolution contained in the Proposal is set forth below:

RESOLVED, that shareholders of Pfizer Inc. (the “Company”) urge the Board of Directors (the “Board”) to adopt a policy that when the Company adjusts or modifies any generally accepted accounting principles (“GAAP”) financial performance metric for determining senior executive compensation, the Compensation Committee’s Compensation Discussion and Analysis shall include a specific explanation of the Compensation Committee’s rationale for each adjustment and a reconciliation of the adjusted metrics to GAAP.

II. Basis for Exclusion

We hereby respectfully request that the Staff concur with Pfizer’s view that the Proposal may be excluded from the 2021 proxy materials pursuant to Rule 14a-8(b)(1) and Rule 14a-8(f)(1) because the Proponent failed to provide timely proof of the requisite stock ownership after receiving notice of such deficiency.

III. Background

Pfizer received the Proposal via email from Kristyn Bair, Investment Officer II for the City of Philadelphia Board of Pensions and Retirement, which serves as the trustee for the Proponent, accompanied by a cover letter from the Proponent, on October 19, 2020. On October 28, 2020, after confirming that the Proponent was not a shareholder of record, in accordance with Rule 14a-8(f)(1), Pfizer sent a letter to the Proponent (the “Deficiency Letter”), via email to Ms. Bair, requesting a written statement from the record owner of the Proponent’s shares verifying that the Proponent has beneficially owned the requisite number of shares of Pfizer common stock continuously for at least one year as of the date the Proposal was submitted. Copies of the Proposal, transmittal email, cover letter, the Deficiency Letter and related correspondence are attached hereto as Exhibit A.

IV. The Proposal May be Excluded Pursuant to Rule 14a-8(b)(1) and Rule 14a-8(f)(1) Because the Proponent Failed to Provide Timely Proof of the Requisite Stock Ownership After Receiving Notice of Such Deficiency.

Rule 14a-8(b)(1) provides that, in 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 for at least one year as of the date the proposal is submitted and must continue to hold those securities through the date of the meeting. If the proponent is not a registered holder, he or she must provide proof of beneficial ownership of the securities. Under Rule 14a-8(f)(1), a company may exclude a shareholder proposal if the proponent fails to provide evidence that it meets the eligibility requirements of Rule 14a-8(b), provided that the company notifies the proponent of the

deficiency within 14 calendar days of receiving the proposal and the proponent fails to correct the deficiency within 14 days of receiving such notice.

The Staff has consistently permitted exclusion of shareholder proposals under Rule 14a-8(f)(1) where a proponent has failed to provide timely evidence of eligibility to submit a shareholder proposal in response to a timely deficiency notice from the company. *See, e.g., PG&E Corp.* (May 26, 2020)* (permitting exclusion of a proposal under Rule 14a-8(f)(1) where the proponent failed to supply any evidence of eligibility to submit a shareholder proposal after receiving the company’s timely deficiency notice); *Huntsman Corp.* (Jan. 16, 2020)* (permitting exclusion of a proposal under Rule 14a-8(f)(1) where the proponents failed to supply any evidence of eligibility to submit a shareholder proposal after receiving the company’s timely deficiency notice); *Comcast Corp.* (Feb. 26, 2018) (permitting exclusion of a proposal under Rule 14a-8(f)(1) where the proponent failed to supply any evidence of eligibility to submit a shareholder proposal after receiving the company’s timely deficiency notice); *Facebook, Inc.* (Feb. 26, 2018) (same); *Amazon.com, Inc.* (Feb. 6, 2018) (same); *see also, e.g., Exxon Mobil Corp.* (Feb. 14, 2018) (permitting exclusion of a proposal under Rule 14a-8(f)(1) where the proponent supplied evidence of eligibility to submit a shareholder proposal 53 days after receiving the company’s timely deficiency notice); *Ambac Financial Group, Inc.* (Dec. 15, 2016) (permitting exclusion of a proposal under Rule 14a-8(f)(1) where the proponent supplied evidence of eligibility to submit a shareholder proposal 48 days after receiving the company’s timely deficiency notice); *Prudential Financial, Inc.* (Dec. 28, 2015) (permitting exclusion of a proposal under Rule 14a-8(f)(1) where the proponent supplied evidence of eligibility to submit a shareholder proposal 23 days after receiving the company’s timely deficiency notice).

In this instance, the Proponent failed to provide timely evidence of eligibility to submit a shareholder proposal to Pfizer after a timely deficiency notice from Pfizer. Specifically, after receiving the Proposal on October 19, 2020, Pfizer sent the Deficiency Letter on October 28, 2020, timely notifying the Proponent of the procedural defect under Rule 14a-8(b). The Deficiency Letter specifically confirmed that the Proponent is “not a registered holder of Pfizer common stock” and requested “a written statement from the record holder of the [P]roponent’s shares . . . verifying that, at the time the [P]roposal was submitted, which was October 19, 2020, the [P]roponent had beneficially held the requisite number of Pfizer common stock continuously for at least one year preceding and including October 19, 2020.” The Deficiency Letter also clearly explained the proof of ownership requirements of Rule 14a-8(b) and how to satisfy those requirements. Consistent with Rule 14a-8(f)(1), the Deficiency Letter requested that proof of the Proponent’s ownership be provided within 14 days of the Proponent’s receipt of the Deficiency Letter, which was October 28, 2020. Pfizer has not received any further correspondence from the Proponent, and has not received verification of the Proponent’s ownership of Pfizer’s common stock since sending the Deficiency Letter to the Proponent. Therefore, the Proponent has failed to

* Citations marked with an asterisk indicate Staff decisions issued without a letter.

provide proof of the Proponent's stock ownership within the required timeframe after receiving notice of such deficiency.

Accordingly, consistent with the precedent described above, the Proposal should be excluded from the 2021 proxy materials pursuant to Rule 14a-8(b)(1) and Rule 14a-8(f)(1) as the Proponent has failed to provide timely proof of the requisite stock ownership after receiving notice of such deficiency.

V. Conclusion

Based upon the foregoing analysis, we respectfully request that the Staff concur that it will take no action if Pfizer excludes the Proposal from its 2021 proxy materials.

Should the Staff disagree with the conclusions set forth in this letter, or should any additional information be desired in support of Pfizer's position, we would appreciate the opportunity to confer with the Staff concerning these matters prior to the issuance of the Staff's response. Please do not hesitate to contact me at (212) 733-3451 or Marc S. Gerber of Skadden, Arps, Slate, Meagher & Flom LLP at (202) 371-7233.

Very truly yours,



Margaret M. Madden

Enclosures

cc: Kristyn Bair
Investment Officer II
The City of Philadelphia Board of Pensions and Retirement, as trustee for
The City of Philadelphia Public Employees Retirement System

EXHIBIT A

(see attached)

Bond, Andrew T (WAS)

Subject: RE: [Ext] FW: City of Philadelphia- Pfizer - Exec Pay & GAAP Metrics

From: Kristyn Bair <Kristyn.Bair@Phila.gov>

Sent: Monday, October 19, 2020 5:43 PM

To: Madden, Margaret <Margaret.M.Madden@Pfizer.com>

Cc: Maureen O'Brien (mobrien@segalmarco.com) <mobrien@segalmarco.com>

Subject: [EXTERNAL] City of Philadelphia- Pfizer

Good Evening,

Please see attached shareholder proposal on behalf of the City of Philadelphia Board of Pensions and Retirement
Our custodial verification will be sent separately.

If you have any questions, please do not hesitate to contact me.

Kristyn Bair
Investment Officer II
City of Philadelphia Board of Pensions and Retirement
Two Penn Center Plaza, 17th Floor
1500 John F. Kennedy Blvd.
Philadelphia, PA 19102
(p) 215-685-3477 | Kristyn.Bair@phila.gov



BOARD OF PENSIONS AND RETIREMENT
PHILADELPHIA PUBLIC EMPLOYEES
RETIREMENT SYSTEM

BOARD MEMBERS:
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REBECCA RHYNHART
MARCEL PRATT, Esq.
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CAROL G. STUKES-BAYLOR
VERONICA M. PANKEY
BRIAN P. COUGHLIN

CHRISTOPHER DIFUSCO
Chief Investment Officer

October 19, 2020

By regular mail and email: margaret.m.madden@pfizer.com

Ms. Margaret M. Madden
Senior Vice President
and Corporate Secretary,
Chief Governance Counsel
Pfizer Inc.
235 East 42nd Street
New York, New York 10017

Re: The City of Philadelphia Public Employees Retirement System

Dear Ms. Madden:

In my capacity as the Chief Investment Officer of The City of Philadelphia Public Employees Retirement System (the "Fund"), I write to give notice that pursuant to the 2020 proxy statement of Pfizer Inc. (the "Company"), the Fund intends to present the attached proposal (the "Proposal") at the 2021 annual meeting of shareholders (the "Annual Meeting") along with co-filers. The Fund requests that the Company include the Proposal in the Company's proxy statement for the Annual Meeting.

A letter from the Fund's custodian documenting the Fund's continuous ownership of the requisite amount of the Company's stock for at least one year prior to the date of this letter is being sent under separate cover. The Fund also intends to continue its ownership of at least the minimum number of shares required by the SEC regulations through the date of the Annual Meeting.

I represent that the Fund or its agent intends to appear in person or by proxy at the Annual Meeting to present the attached Proposal. I declare the Fund has no "material interest" other than that believed to be shared by stockholders of the Company generally.

Sincerely,

Christopher DiFusco
Chief Investment Officer

RESOLVED, that shareholders of Pfizer Inc. (the "Company") urge the Board of Directors (the "Board") to adopt a policy that when the Company adjusts or modifies any generally accepted

accounting principles (“GAAP”) financial performance metric for determining senior executive compensation, the Compensation Committee’s Compensation Discussion and Analysis shall include a specific explanation of the Compensation Committee’s rationale for each adjustment and a reconciliation of the adjusted metrics to GAAP.

SUPPORTING STATEMENT: The Company adjusts financial metrics when calculating progress on goals for purposes of awarding incentive compensation. The Company uses adjusted diluted EPS for annual incentive awards. We believe disclosure and transparency on the adjustments would enable shareholders to determine if the exclusions are appropriate and make more informed decisions on the advisory vote on executive compensation.

Clear reconciliation would also help investors understand whether senior executives are being insulated from legal risks and incentivized to disregard litigation costs and related reputational damage. Clarity on litigation expenses is of particular concern given the Company’s role in the opioid supply chain.

Many investors believe that companies should do a better job disclosing the purpose of using adjusted-GAAP metrics for executive compensation. The Council of Institutional Investors, whose members represent \$35 trillion in assets under management and advisement, filed a petition with the SEC calling for “...a requirement for clear explanations and GAAP reconciliations that would permit a shareholder to understand the company’s approach and factor that into its say-on-pay vote and/or buy/sell decision (<https://www.sec.gov/rules/petitions/2019/petn4-745.pdf>).”

We agree more clarity is needed to enable shareholders to determine whether the Company is providing appropriate incentives to executive management.

Bond, Andrew T (WAS)

Subject: RE: [Ext] FW: Shareholder Acknowledgment Letter - City of Philadelphia Board of Pensions and Retirement

From: Doucet, Cathleen R <Cathleen.Doucet@pfizer.com> **On Behalf Of** Rolon, Suzanne

Sent: Wednesday, October 28, 2020 5:15 PM

To: Kristyn.Bair@Phila.gov

Cc: mobrien@segalmarco.com

Subject: Shareholder Acknowledgment Letter - City of Philadelphia Board of Pensions and Retirement

Dear Ms. Bair: Kindly see the attached acknowledgment letter regarding the Shareholder Proposal for 2021 Annual Meeting of Shareholders: Adjusted GAAP Reconciliation Disclosure.

Thank you.
Suzanne

Suzanne Y. Rolon | Director, Corporate Governance

Pfizer Inc. |235 East 42nd Street, New York, NY 10017| Tel: (212) 733 5356 | Mobile: 718 536 0518





Suzanne Y. Rolon
Director – Corporate Governance
Legal Division

Pfizer Inc.
235 East 42nd Street, 19/6, New York, NY 10017
Tel +1 212 733 5356 Fax +1 212 573 1853
suzanne.y.rolon@pfizer.com

Via Email: Kristyn.Bair@Phila.gov

October 28, 2020

Mr. Christopher DiFusco
Chief Investment Officer
Board of Pensions and Retirement
The City of Philadelphia Public Employees Retirement System
Two Penn Center Plaza, 17th Floor
1500 John F. Kennedy Blvd.
Philadelphia, PA 19102

Re: Shareholder Proposal for 2021 Annual Meeting of Shareholders

Dear Mr. DiFusco:

This letter will acknowledge receipt on October 19, 2020 of the letter from The City of Philadelphia Public Employees Retirement System (the “proponent”) dated October 19, 2020, to Pfizer Inc., submitting a shareholder proposal pursuant to Rule 14a-8 under the Securities Exchange Act of 1934 (the “Exchange Act”) for consideration at our 2021 Annual Meeting of Shareholders.

Rule 14a-8(b) of the Exchange Act provides that the proponent must submit sufficient proof that it has continuously held at least \$2,000 in market value, or 1%, of the company’s common stock that would be entitled to be voted on the proposal for at least one year, preceding and including October 19, 2020, the date the proposal was submitted to the company.

Our records indicate that the proponent is not a registered holder of Pfizer common stock. Please provide a written statement from the record holder of the proponent’s shares (usually a bank or broker) and a participant in the Depository Trust Company (“DTC”)¹ verifying that, at the time the proposal was submitted, which was October 19, 2020, the proponent had beneficially held the requisite number of shares of Pfizer

¹ In order to determine if the broker or bank holding your shares is a DTC participant, you can check the DTC’s participant list, which is currently available on the Internet at <http://www.dtcc.com/client-center/dtc-directories>.

Mr. Christopher DiFusco

October 28, 2020

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common stock continuously for at least one year preceding and including October 19, 2020.

If the broker or bank holding the proponent's shares is not a DTC participant, the proponent also will need to obtain proof of ownership from the DTC participant through which the shares are held. You should be able to find out who this DTC participant is by asking the proponent's broker or bank. If the DTC participant knows the proponent's broker or bank's holdings, but does not know the proponent's holdings, the proponent can satisfy Rule 14a-8 by obtaining and submitting two proof of ownership statements verifying that, at the time the proposal was submitted, the required amount of shares were continuously held for at least one year – one from the proponent's broker or bank confirming the proponent's ownership, and the other from the DTC participant confirming the broker or bank's ownership.

The rules of the SEC require that your response to this letter be postmarked or transmitted electronically no later than 14 days from the date you receive this letter. Please send any response to me at the address or email address provided above. For your reference, please find enclosed a copy of Rule 14a-8.

Once we receive any response, we will be in a position to determine whether the proposal is eligible for inclusion in the proxy materials for our 2021 Annual Meeting of Shareholders. We reserve the right to seek relief from the SEC as appropriate.

If you have any questions, please feel free to contact me directly.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Suzanne Y. Rolon', with a long horizontal flourish extending to the right.

Suzanne Y. Rolon

cc: Margaret M. Madden, Pfizer Inc.

Attachment

§ 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:

(i) Less than 3% of the vote if proposed once within the preceding 5 calendar years;

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

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

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

(j) *Question 10*: What procedures must the company follow if it intends to exclude my proposal? (1) If the company intends to exclude a proposal from its proxy materials, it must file its reasons with the Commission no later than 80 calendar days before it files its definitive proxy statement and form of proxy with the Commission. The company must simultaneously provide you with a copy of its submission. The Commission staff may permit the company to make its submission later than 80 days before the company files its definitive proxy statement and form of proxy, if the company demonstrates good cause for missing the deadline.

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

(i) The proposal;

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

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

(k) *Question 11:* May I submit my own statement to the Commission responding to the company's arguments?

Yes, you may submit a response, but it is not required. You should try to submit any response to us, with a copy to the company, as soon as possible after the company makes its submission. This way, the Commission staff will have time to consider fully your submission before it issues its response. You should submit six paper copies of your response.

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

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

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

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

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

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

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

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

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