

January 18, 2021

Elizabeth A. Ising  
Direct: 202.955.8287  
Fax: 202.530.9631  
[Eising@gibsondunn.com](mailto:Eising@gibsondunn.com)

## **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 Green Century Capital Management Inc.*  
*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 2021 Annual Meeting of Stockholders (collectively, the “2021 Proxy Materials”) a stockholder proposal and statements in support thereof (the “Proposal”) submitted by Green Century Capital Management (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 2021 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 proponents elect 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 the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to the 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.

## **BASIS FOR EXCLUSION**

We hereby respectfully request that the Staff concur in our view that the Proposal may be excluded from the 2021 Proxy Materials pursuant to Rule 14a-8(b) and Rule 14a-8(f)(1)

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because the Proponent failed to provide on a timely basis the requisite proof of continuous stock ownership in response to the Company’s proper request for that information.

## BACKGROUND

The Proponent mailed the Proposal and a cover letter via overnight delivery to the Company on December 5, 2020 (the “Submission Date”),<sup>1</sup> which the Company received on December 7, 2020. These materials are attached to this letter as Exhibit A. The Proponent’s submission contained a procedural deficiency (the “Deficiency”): it did not provide verification of the Proponent’s ownership of the requisite number of Company shares through the Submission Date from the record owner of those shares.<sup>2</sup>

Accordingly, in a letter dated December 15, 2020, which was sent on that day via email and overnight delivery, the Company notified the Proponent of the procedural deficiency as required by Rule 14a-8(f) (the “Deficiency Notice”). *See Exhibit B*. In the Deficiency Notice, which is included in Exhibit B, the Company clearly informed the Proponent of the requirements of Rule 14a-8 and how the Proponent could cure the procedural deficiency. Specifically, the Deficiency Notice stated:

- the ownership requirements of Rule 14a-8(b);
- that, according to the Company’s stock records, the Proponent was not a record owner of sufficient shares;
- the specific details of the Deficiency and the type of statement or documentation necessary to remedy the Deficiency; and
- that any response to the Deficiency Notice had to be postmarked or transmitted electronically no later than 14 calendar days from the date the Proponent received the Deficiency Notice.

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<sup>1</sup> As indicated by the FedEx tracking information that is included in Exhibit A, December 5, 2020 is both (1) the date the shipment information to deliver the Proposal was sent to FedEx and (2) the date the Proposal was picked up by FedEx, a national mail courier. We believe this is the most analogous date to the guidance in SLB 14G indicating that a “proposal’s date of submission [is] the date the proposal is postmarked or transmitted electronically.”

<sup>2</sup> The submission also contained a second deficiency—the Proposal exceeded 500 words—that the Company also identified in the Deficiency Notice. However, the Proponent corrected this deficiency in its response, and therefore this deficiency is not further discussed in this no-action request.

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The Deficiency Notice also included a copy of Rule 14a-8 and Staff Legal Bulletin No. 14F (Oct. 18, 2011) (“SLB 14F”). The Deficiency Notice was sent within 14 days of the date the Company received the Proposal, and the hard copy was delivered to the Proponent on December 16, 2020. *See Exhibit B.*

The Company received the Proponent’s first response to the Deficiency Notice (the “First Response”) by email on December 28, 2020. The First Response included a letter from Vanguard dated December 18, 2020 verifying the Proponent’s ownership of the requisite number of the Company’s shares as of December 17, 2020. *See Exhibit C.* As discussed in more detail below, the First Response is insufficient to cure this deficiency because the letter states that the Proponent held 45 Company shares continuously for the one-year period from December 17, 2019 to December 17, 2020, but does not verify continuous ownership for the required one-year period preceding and including the Submission Date (December 5, 2020).

Subsequently, the Company received an email from the Proponent on January 5, 2021, which included a statement that the previous proof of ownership contained an error (the “Second Response”). *See Exhibit D.* The Second Response also contained an additional letter from Vanguard, dated January 4, 2021. As discussed in more detail below, the Second Response is insufficient to cure the deficiency because the Second Response was not sent to the Company within the 14-day cure period set forth in the Deficiency Notice.

## ANALYSIS

### **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.**

Rule 14a-8(b)(1) provides, in part, that “[i]n order to be eligible to submit a proposal, [a stockholder] must have continuously held at least \$2,000 in market value, or 1%, of the company’s securities entitled to be voted on the proposal at the meeting for at least one year by the date [the stockholder] submit[s] the proposal.” Staff Legal Bulletin No. 14 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, Staff Legal Bulletin No. 14 (July 13, 2001). SLB 14F clarified that these proof of ownership letters must come from the “record” holder of the Proponent’s shares, and that only Depository Trust Company (“DTC”) participants are viewed as record holders of securities that are deposited at DTC. Rule 14a-8(f) provides that a company may exclude a stockholder proposal if the proponent fails to provide evidence of eligibility under Rule 14a-8, including failing to provide the beneficial ownership information required under Rule 14a-8(b), provided that the company timely notifies the

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proponent of the problem and the proponent fails to correct the deficiency within the required time.

SLB 14F provides that proof of ownership letters may fail to satisfy Rule 14a-8(b)(1)'s requirement because they do not verify ownership "for the entire one-year period preceding and including the date the proposal [was] submitted." This may occur if the letter verifies ownership as of a date before the submission date (leaving a gap between the verification date and the submission date) or if the letter verifies ownership as of a date after the submission date and only covers a one-year period, "thus failing to verify the [stockholder's] beneficial ownership over the required full one-year period preceding the date of the proposal's submission." SLB 14F.

As discussed in the "Background" section above, the Proponent did not include with its submission letter documentary evidence of the Proponent's ownership of Company shares. *See Exhibit A.* The Proponent failed to cure this deficiency within 14 days of the Company's timely Deficiency Notice, and the Proposal may therefore be excluded under Rule 14a-8(b) and Rule 14a-8(f)(1).

A. *The First Response Failed To Establish The Requisite Eligibility To Submit The Proposal*

Under well-established precedent, the December 18, 2020 letter from Vanguard included with the First Response is insufficient because it fails to cover the entire one-year period up to and including the Submission Date. For example, in *Starbucks Corp.* (avail. Dec. 11, 2014), the proponent submitted the proposal on September 24, 2014 and, despite receiving clear instructions in a deficiency notice, provided a broker letter that only established continuous ownership of company securities for one year as of September 26, 2014. The Staff concurred in the exclusion of the proposal, noting that "the proponent appears to have failed to supply, within 14 days of Starbucks' request, documentary support sufficiently evidencing that it satisfied the minimum ownership requirements for the one-year period as required by Rule 14a-8(b)." *See also PepsiCo, Inc. (Albert)* (avail. Jan. 10, 2013) (concurring with the exclusion under Rule 14a-8(b) and Rule 14a-8(f) of a proposal where the proponent's purported proof of ownership covered the one-year period up to and including November 19, 2012, but the proposal was submitted on November 20, 2012); *Mondelēz International, Inc.* (avail. Feb. 11, 2014) (letter from broker stating ownership for one year as of November 27, 2013 was insufficient to prove continuous ownership for one year as of November 29, 2013); *Union Pacific Corp.* (avail. Mar. 5, 2010) (letter from broker stating ownership for one year as of November 17, 2009 was insufficient to prove continuous ownership as of November 19, 2009); *The McGraw Hill Companies, Inc.* (avail. Jan. 28, 2008) (letter from broker stating ownership for one year as of November 16, 2007 was insufficient to prove continuous ownership for one year as of November 19, 2007).

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Here, the Proponent submitted the Proposal on December 5, 2020. Therefore, the Proponent had to verify continuous ownership for the one-year period preceding and including this date, *i.e.*, December 5, 2019 through December 5, 2020. The Deficiency Notice clearly stated the necessity to prove continuous ownership “for at least the one-year period preceding and including the December 5, 2020 date the [P]roposal was submitted.” *See Exhibit B.* The Proponent’s First Response to the Deficiency Notice included a letter from Vanguard dated December 18, 2020 stating:

[A]s of December 17, 2020, [the Proponent’s account] held 45.0000 shares of Chevron Corp (CVX). One year prior, on December 17, 2019, the account held 45.0000 shares of CVX. During that one year period, the organization held the shares continuously in the account.

Thus, this letter does not confirm continuous ownership of Company stock “for at least the one-year period preceding and including the December 5, 2020 date the [P]roposal was submitted” as it leaves a 12-day gap between December 5, 2019 and December 17, 2019.

**B.     *The Second Response Failed To Cure The Requisite Eligibility To Submit The Proposal***

The Second Response is insufficient to establish the requisite eligibility to submit the Proposal because it was sent by the Proponent 21 days after the Proponent received the Company’s timely Deficiency Notice, and it was therefore untimely. The Staff has consistently concurred in the exclusion of proposals when proponents have failed, following a timely and proper request by a company, to timely furnish evidence of eligibility to submit the stockholder proposal pursuant to Rule 14a-8(b). For example, in *Walgreens Boots Alliance, Inc.* (avail. Oct. 22, 2020), within the 14-day period following a timely deficiency notice, the proponent submitted proof of ownership that failed to provide sufficient proof of continuous ownership for the full one-year period preceding and including the submission date. Then, 22 days after receipt of the deficiency notice, the proponent submitted additional proof of ownership. Although this second submission provided sufficient proof of ownership of the company’s shares for the full one-year period, the Staff concurred with the exclusion of the proposal because it was untimely. Also, in *Chevron Corp. (Follow This)* (avail. Mar. 6, 2020), the proponent only submitted proof of ownership from the broker within the 14-day time period after receiving a timely deficiency notice. There, although the proponent ultimately submitted proof of ownership from a DTC participant, the Staff still concurred with the exclusion of the proposal because it was received 22 days after the company delivered its deficiency notice. *See also FedEx Corp.* (avail. June 5, 2019); *Time Warner Inc.* (avail. Mar. 13, 2018); *ITC Holdings Corp.* (avail. Feb. 9, 2016); *Prudential Financial, Inc.* (avail. Dec. 28, 2015); *Mondelēz International, Inc.* (avail. Feb. 27, 2015) (each concurring with

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the exclusion of a stockholder proposal where the proponent supplied proof of ownership 15, 18, 35, 23, and 16 days, respectively, after receiving the company's timely deficiency notice). This was the outcome even if the evidence ultimately furnished otherwise satisfied Rule 14a-8(b). Here, regardless of the content of the Second Response, it was sent 21 days after the Proponent's receipt of the Deficiency Notice and, consistent with the above-cited precedent, is therefore untimely. The only timely proof of ownership that the Proponent submitted was the First Response, which (as discussed above) did not satisfy the eligibility requirements of Rule 14a-8(b). Therefore, the Company may exclude the Proposal pursuant to Rule 14a-8(f)(1) and Rule 14a-8(b).

It is well established that where a company provides proper notice of a procedural defect to a proponent and the proponent's response fails to cure the defect, the company is not required to provide any further opportunities for the proponent to cure. In fact, Section C.6. of SLB 14 states that a company may exclude a proposal pursuant to Rule 14a-8(b) and Rule 14a-8(f)(1) if "the shareholder timely responds but does not cure the eligibility or procedural defect(s)." For example, in *PDL BioPharma, Inc.* (avail. Mar. 1, 2019), the proponent submitted a proposal without any accompanying proof of ownership, and the broker letter sent in response to the company's timely deficiency notice failed to establish that the proponent owned the requisite minimum number of shares. The Staff concurred with exclusion under Rule 14a-8(f) even though the company did not send a second deficiency notice to the proponent, who still had several days remaining in the 14-day cure period. *See also American Airlines Group, Inc.* (avail. Feb. 20, 2015) (concurring with the exclusion of a stockholder proposal where the proponent submitted ownership proof seven days following receipt of the company's deficiency notice which failed to satisfy the ownership requirements of Rule 14a-8(b), and the company did not send a second deficiency notice); *Coca-Cola Co. (James McRitchie and Myra Young)* (avail. Dec. 16, 2014) (concurring with the exclusion of a stockholder proposal where the proponents submitted ownership proof nine days following receipt of the company's deficiency notice which failed to satisfy the ownership requirements of Rule 14a-8(b), and the company did not send a second deficiency notice); *Union Pacific Corp.* (avail. Jan. 29, 2010) (concurring with the exclusion of a stockholder proposal where the proponent submitted a broker letter three days following receipt of the company's deficiency notice which failed to satisfy the ownership requirements of Rule 14a-8(b), and the company did not send a second deficiency notice). Likewise, following receipt of the First Response, the Company was under no obligation to provide the Proponent with a second deficiency notice nor any additional time to cure the deficiency that remained.

Accordingly, consistent with the precedent cited above, the Proposal is excludable because, despite receiving timely and proper notice pursuant to Rule 14a-8(f)(1), the Proponent failed to supply, within 14 days of receipt of the Company's request,

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documentary support sufficiently evidencing that the Proponent continuously owned the required number of Company shares for the one-year period preceding and including the date the Proposal was submitted to the Company, as required by Rule 14a-8(b). The Company reserves the right, should it be necessary, to raise additional bases for excluding the Proposal from the 2021 Proxy Materials if the Staff declines to concur with the Company's no-action request.

## 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 2021 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 Secretary and Supervising Counsel, at (925) 842-2796.

Sincerely,



Elizabeth A. Ising

Enclosures

cc:     Christopher A. Butner, Chevron Corporation  
          Jessye Waxman, Green Century Capital Management

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**EXHIBIT A**



MAF  
DEC 08 2020

December 4, 2020

Mary A. Francis  
Corporate Secretary and Chief Governance Officer  
Chevron Corporation  
6001 Bollinger Canyon Road  
San Ramon, CA 94583-2324

Dear Ms. Francis,

The Green Century Capital Management hereby submits the enclosed shareholder proposal to Chevron Corporation (CVX) inclusion in the Company's 2021 proxy statement in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 (17 C.F.R. § 240.14a-8).

Per Rule 14a-8, Green Century Capital Management is the beneficial owner of at least \$2,000 worth of JPM's common stock. We have held the requisite number of shares for over one year, and will continue to hold sufficient shares in the Company through the date of the annual shareholder's meeting. Verification of ownership from a DTC participating bank will be forthcoming.

Due to the importance of the issue and our need to protect our rights as shareholders, we are filing the enclosed proposal for inclusion in the proxy statement for a vote at the next shareholder's meeting.

We welcome the opportunity to further discuss the subject of the enclosed proposal with company representatives. Please direct all correspondence to Jessye Waxman, Shareholder Advocate at Green Century Capital Management. She may be reached at [jwaxman@greencentury.com](mailto:jwaxman@greencentury.com).

We would appreciate confirmation of receipt of this letter via email.

Sincerely,

A handwritten signature in black ink that appears to read "Leslie Samuelrich".

Leslie Samuelrich  
President  
Green Century Capital Management

Enclosures: Shareholder Proposal

**Whereas:** Petroleum development in ecologically sensitive and biologically rich protected areas poses material financial, climate, and reputational risks.

The Arctic National Wildlife Refuge, for example, is home to over 200 bird species, 42 types of fish, and 45 mammals, including four threatened species protected under the Endangered Species Act. The Bureau of Land Management calculated that burning all the oil in the Arctic Refuge would release over 4.3 gigatons of CO<sub>2</sub>e.

At its 2020 AGM, Chevron declared its support for exploration and development in the Arctic National Wildlife Refuge Coastal Plain. Chevron and BP have the first and only test well in the Refuge.

Pursuit of drilling and related activities in the Arctic Refuge could expose Chevron to considerable material financial risk:

- Regulatory: The political landscape creates uncertainty for developing the Refuge; any developments could become stranded assets. The Biden administration plans to ban new oil and gas permitting and leasing on public lands and waters, and to permanently protect the Arctic Refuge from drilling. Federal agencies under Biden may reject any new leases. Leases could be overturned in the courts: four separate lawsuits have been filed against the Department of the Interior over plans to open the Refuge for drilling.
- Liability: In its 2019 10-k, Chevron identifies liability for "accidental, unlawful discharge" even "without regard to the company's causation of or contribution to the asserted damage" as a risk, and acknowledges it is self-insured "to a substantial extent" for potential liabilities. The Trans-Alaska Pipeline will transport oil from the Arctic Refuge. There have been dozens of oil spills along the pipeline and around Prudhoe Bay, the pipeline's northern terminus, including a 3-week long spill in 2020.
- Price risk: Oil spills negatively affect stock prices. Chevron's share price declined 8.5% in the weeks after a public announcement of an 800,000 gallon spill at a Chevron oil well. BP's stock dropped 54% as a result of the Deepwater Horizon oil spill.
- Constrained access to capital and insurance: Chevron may face difficulty securing funding or insurance for Arctic Refuge projects. Six major US banks, which have provided \$637,575,000,000 to Chevron since 2016, now refuse to finance oil and gas exploration in the Arctic Refuge. Global insurance companies are being pressured by 78 organizations to adopt similar policies.
- Reputational: Reputationally damaging events have financial consequences. BP lost 38% of its American clients after the 2010 oil spill. 67% of Americans oppose drilling in the Arctic Refuge. 259 organizations, representing more than 27 million members, have launched a campaign against Chevron regarding Arctic drilling.

Beyond the Arctic Refuge, drilling anywhere in the Arctic threatens Indigenous rights, impacts fragile ecosystems, and exacerbates climate-related risks.

**Resolved:** Shareholders request that the Board of Directors issue a public report, within a reasonable time, assessing the benefits and drawbacks of committing to not engage in oil and gas exploration and production in the Arctic, particularly in the Arctic Refuge, as well as the financial and reputational risks to the company associated with such development.



[TRACK ANOTHER SHIPMENT](#)

772273769803

[ADD NICKNAME](#)

Delivered

Monday, December 7, 2020 at 8:40 am

**DELIVERED**

Signed for by: G.GARY

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

Boston, MA US

**TO**

SAN RAMON, CA US

## Shipment Facts

TRACKING NUMBER	SERVICE	WEIGHT
772273769803	FedEx Priority Overnight	0.5 lbs / 0.23 kgs
DELIVERED TO	TOTAL PIECES	TOTAL SHIPMENT WEIGHT
Receptionist/Front Desk	1	0.5 lbs / 0.23 kgs
TERMS	SHIPPER REFERENCE	PACKAGING
Shipper	CVX Shareholder Proposal FY21	FedEx Envelope
SPECIAL HANDLING SECTION	SHIP DATE	STANDARD TRANSIT
Deliver Weekday	12/5/20	12/7/20 by 10:30 am
ACTUAL DELIVERY		
12/7/20 at 8:40 am		

## Travel History

TIME ZONE
Local Scan Time



Monday, December 7, 2020

8:40 AM

SAN RAMON, CA

Delivered

1/7/2021

Detailed Tracking

8:20 AM	PLEASANTON, CA	On FedEx vehicle for delivery
6:38 AM	PLEASANTON, CA	At local FedEx facility
1:54 AM	OAKLAND, CA	Departed FedEx location

Sunday, December 6, 2020

4:29 PM	OAKLAND, CA	Arrived at FedEx location
2:52 PM	MEMPHIS, TN	Departed FedEx location
9:33 AM	MEMPHIS, TN	Arrived at FedEx location
2:23 AM	EAST BOSTON, MA	At local FedEx facility

Saturday, December 5, 2020

8:09 PM	SOUTH BOSTON, MA	Left FedEx origin facility
3:28 PM	SOUTH BOSTON, MA	Picked up
12:47 PM	CAMBRIDGE, MA	Picked up Tendered at FedEx Office
10:26 AM		Shipment information sent to FedEx

[Collapse History](#) ^

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**EXHIBIT B**

**From:** [Butner, Christopher A \(CButner\)](#)  
**To:** [jwaxman@greencentury.com](mailto:jwaxman@greencentury.com)  
**Subject:** Letter  
**Date:** Tuesday, December 15, 2020 11:11:10 AM  
**Attachments:** [Green Century 12 15 20.pdf](#)

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Please see the attached.

Best regards,  
Chris

**Christopher A. Butner**

Chevron Corporation  
6001 Bollinger Canyon Road, Rm T-3188  
San Ramon, CA 94583  
(925) 842-2796--Direct  
(415) 238-1172--Cell  
[cbutner@chevron.com](mailto:cbutner@chevron.com)

**This message may contain privileged and/or confidential information; please handle and protect it appropriately.** If you are not the intended recipient, or the person responsible for delivering it to the intended recipient, you are hereby notified that any disclosure, copying, distribution or use of any of the information contained in or attached to this transmission is STRICTLY PROHIBITED. If you have received this message in error, please notify me immediately, and destroy the original message, including any attachments, without reading them.



**Christopher A. Butner**  
Assistant Secretary and Securities/Corporate Governance Counsel

December 15, 2020

Sent via email and overnight delivery:

jwaxman@greencentury.com

Jessye Waxman  
Green Century Capital Management  
114 State Street STE 200,  
Boston, MA 02109

Re: Stockholder Proposal

Dear Ms. Waxman,

On December 7, 2020, we received Leslie Samuelrich's letter submitting a stockholder proposal for Green Century Capital Management ("Proponent"), for inclusion in Chevron's proxy statement and proxy for its 2021 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, as detailed below, and ask that you provide to us documents sufficient to remedy such defects.

First, 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 5, 2020; 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 5, 2020).

Your letter did not include proof of the Proponent's ownership of Chevron stock. 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 5, 2020 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/interp/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 if the Proponent's broker or bank is not a DTC participant, then you need to submit proof of ownership from the DTC participant through which the shares are held verifying that 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 5, 2020). You should be able to find out or confirm the identity of the DTC participant by asking the Proponent's broker or bank.

**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 December 5, 2020, the 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 5, 2020), 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.**

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

**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](mailto: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

# Code of Federal Regulations

## Title 17 - Commodity and Securities Exchanges

Volume: 3

Date: 2013-04-01

Original Date: 2013-04-01

Title: Section 240.14a-8 - Shareholder proposals.

Context: Title 17 - Commodity and Securities Exchanges. CHAPTER II - SECURITIES AND EXCHANGE COMMISSION (CONTINUED). PART 240 - GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934. Subpart A - Rules and Regulations Under the Securities Exchange Act of 1934. - Regulation 14a: Solicitation of Proxies.

### § 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.

[63 FR 29119, May 28, 1998; 63 FR 50622, 50623, Sept. 22, 1998, as amended at 72 FR 4168, Jan. 29, 2007; 72 FR 70456, Dec. 11, 2007; 73 FR 977, Jan. 4, 2008; 76 FR 6045, Feb. 2, 2011; 75 FR 56782, Sept. 16, 2010]



## U.S. Securities and Exchange Commission

### 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](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.<sup>1</sup>

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

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

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

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

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

In *The Hain Celestial Group, Inc.* (Oct. 1, 2008), we took the position that an introducing broker could be considered a "record" holder for purposes of Rule 14a-8(b)(2)(i). An introducing broker is a broker that engages in sales and other activities involving customer contact, such as opening customer accounts and accepting customer orders, but is not permitted to maintain custody of customer funds and securities.<sup>6</sup> Instead, an introducing broker engages another broker, known as a "clearing broker," to hold custody of client funds and securities, to clear and execute customer trades, and to handle other functions such as issuing confirmations of customer trades and customer account statements. Clearing brokers generally are DTC participants; introducing brokers generally are not. As introducing brokers generally are not DTC participants, and therefore typically do not appear on DTC's securities position listing, *Hain Celestial* has required companies to

accept proof of ownership letters from brokers in cases where, unlike the positions of registered owners and brokers and banks that are DTC participants, the company is unable to verify the positions against its own or its transfer agent's records or against DTC's securities position listing.

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

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

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

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

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

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

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

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

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

participant?

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

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

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

First, Rule 14a-8(b) requires a shareholder to provide proof of ownership that he or she has "continuously held at least \$2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal" (emphasis added).<sup>10</sup> We note that many proof of ownership letters do not satisfy this requirement because they do not verify the shareholder's beneficial ownership for the entire one-year period preceding and including the date the proposal is submitted. In some cases, the letter speaks as of a date *before* the date the proposal is submitted, thereby leaving a gap between the date of the verification and the date the proposal is submitted. In other cases, the letter speaks as of a date *after* the date the proposal was submitted but covers a period of only one year, thus failing to verify the shareholder's beneficial ownership over the required full one-year period preceding the date of the proposal's submission.

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

We recognize that the requirements of Rule 14a-8(b) are highly prescriptive and can cause inconvenience for shareholders when submitting proposals. Although our administration of Rule 14a-8(b) is constrained by the terms of the rule, we believe that shareholders can avoid the two errors highlighted above by arranging to have their broker or bank provide the required verification of ownership as of the date they plan to submit the proposal using the following format:

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

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

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

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

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

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

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

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

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

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

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

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

We have previously addressed the requirements for withdrawing a Rule 14a-8 no-action request in SLB Nos. 14 and 14C. SLB No. 14 notes that a company should include with a withdrawal letter documentation demonstrating that a shareholder has withdrawn the proposal. In cases where a proposal submitted by multiple shareholders is withdrawn, SLB No. 14C states that, if each shareholder has designated a lead individual to act

on its behalf and the company is able to demonstrate that the individual is authorized to act on behalf of all of the proponents, the company need only provide a letter from that lead individual indicating that the lead individual is withdrawing the proposal on behalf of all of the proponents.

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

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

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

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

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

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

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

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.

5 See Exchange Act Rule 17Ad-8.

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

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.

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

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

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

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

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Modified: 10/18/2011

[TRACK ANOTHER SHIPMENT](#)

772380574363

[ADD NICKNAME](#)

Delivered

Wednesday, December 16, 2020 at 3:11 pm

**DELIVERED**

Signed for by: J.WAXMAN LOBBY

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

SAN RAMON, CA US

**TO**

BOSTON, MA US

## Shipment Facts

TRACKING NUMBER	SERVICE	WEIGHT
772380574363	FedEx Priority Overnight	0.5 lbs / 0.23 kgs
DELIVERED TO	TOTAL PIECES	TOTAL SHIPMENT WEIGHT
Receptionist/Front Desk	1	0.5 lbs / 0.23 kgs
TERMS	PURCHASE ORDER NUMBER	INVOICE NUMBER
Shipper	DHMD	0973/HC02369
SHIPPER REFERENCE	PACKAGING	SPECIAL HANDLING SECTION
0301/HC00177	FedEx Envelope	Deliver Weekday
SHIP DATE	STANDARD TRANSIT	ACTUAL DELIVERY
12/15/20	12/16/20 by 10:30 am	12/16/20 at 3:11 pm

## Travel History

**TIME ZONE**  
Local Scan Time

Wednesday, December 16, 2020

3:11 PM

BOSTON, MA

Delivered

1/8/2021

Detailed Tracking

9:47 AM	SOUTH BOSTON, MA	On FedEx vehicle for delivery
9:31 AM	SOUTH BOSTON, MA	At local FedEx facility
8:13 AM	EAST BOSTON, MA	At destination sort facility
5:09 AM	MEMPHIS, TN	Departed FedEx location
12:59 AM	MEMPHIS, TN	Arrived at FedEx location

Tuesday, December 15, 2020

7:26 PM	OAKLAND, CA	Departed FedEx location
6:26 PM	OAKLAND, CA	Arrived at FedEx location
5:54 PM	PLEASANTON, CA	Left FedEx origin facility
4:26 PM	PLEASANTON, CA	Picked up
3:14 PM		Shipment information sent to FedEx

Collapse History ⌂

GIBSON DUNN

**EXHIBIT C**

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**From:** Jessye Waxman <jwaxman@greencentury.com>  
**Sent:** Monday, December 28, 2020 3:30 PM  
**To:** Butner, Christopher A (CButner) <CButner@chevron.com>  
**Subject:** [\*\*EXTERNAL\*\*] RE: Letter

Dear Chris,

Attached, please find proof of ownership from a DTC participating bank indicating that Green Century Capital Management has held 45 shares of Chevron Corp continuously for a year preceding filing. In addition, please find attached the revised shareholder proposal.

Please let me know if you have further questions or require anything further from us.

In addition, we would like the opportunity to discuss the content of our resolution with company representatives. We would therefore appreciate if you could coordinate a meeting between Green Century and appropriate corporate representative to discuss Chevron's plans for addressing the risks associated with oil/gas exploration and development in the Arctic, particularly the Arctic Refuge. Could you please send some times that would work for the appropriate members of Chevron's team?

With thanks,

Jessye

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Jessye Waxman  
Shareholder Advocate  
Green Century Capital Management  
(617)-482-0800 | [jwaxman@greencentury.com](mailto:jwaxman@greencentury.com)  
114 State Street, Suite 200, Boston, MA 02109  
[www.greencentury.com](http://www.greencentury.com)

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**From:** Jessye Waxman  
**Sent:** Friday, December 18, 2020 11:18 AM  
**To:** 'Butner, Christopher A (CButner)' <[CButner@chevron.com](mailto:CButner@chevron.com)>  
**Subject:** RE: Letter

Dear Chris,

Thank you for this notification. We are in contact with our custodian, and will be able to follow up with an amended proposal and proof of ownership soon.

Best,  
Jessye

-----

Jessye Waxman  
Shareholder Advocate  
Green Century Capital Management  
(617)-482-0800 | [jwaxman@greencentury.com](mailto:jwaxman@greencentury.com)  
114 State Street, Suite 200, Boston, MA 02109  
[www.greencentury.com](http://www.greencentury.com)

**Whereas:** Petroleum development in ecologically sensitive and biologically rich protected areas poses material financial, climate, and reputational risks.

The Arctic National Wildlife Refuge, for example, is home to over 200 bird species, 42 types of fish, and 45 mammals, including four threatened species protected under the Endangered Species Act. The Bureau of Land Management calculated that burning all the oil in the Arctic Refuge would release over 4.3 gigatons of CO<sub>2</sub>e.

At its 2020 Annual Meeting of Stockholders, Chevron declared its support for exploration and development in the Arctic National Wildlife Refuge Coastal Plain. Chevron and BP have the first and only test well in the Refuge.

Pursuit of drilling and related activities in the Arctic Refuge could expose Chevron to considerable material financial risk:

- Regulatory: The political landscape creates uncertainty for developing the Refuge; any developments could become stranded assets. The Biden administration plans to ban new oil and gas permitting and leasing on public lands and waters, and to permanently protect the Arctic Refuge from drilling. Federal agencies under Biden may reject any new leases. Leases could be overturned in the courts: four separate lawsuits have been filed against the Department of the Interior over plans to open the Refuge for drilling.
- Liability: In its 2019 10-k, Chevron identifies liability for “accidental, unlawful discharge” even “without regard to the company’s causation of or contribution to the asserted damage” as a risk, and acknowledges it is self-insured “to a substantial extent” for potential liabilities. The Trans-Alaska Pipeline will transport oil from the Arctic Refuge. There have been dozens of oil spills along the pipeline and around Prudhoe Bay, the pipeline’s northern terminus, including a 3-week long spill in 2020.
- Price risk: Oil spills negatively affect stock prices. Chevron’s share price declined 8.5% in the weeks after a public announcement of an 800,000 gallon spill at a Chevron oil well. BP’s stock dropped 54% as a result of the Deepwater Horizon oil spill.
- Constrained access to capital: Chevron may face difficulty securing funding for Arctic Refuge projects. Six major US banks, which have provided \$637,575,000,000 to Chevron since 2016, now refuse to finance oil and gas exploration in the Arctic Refuge.
- Reputational: Reputationally damaging events have financial consequences. BP lost 38% of its American clients after the 2010 oil spill. 67% of Americans oppose drilling in the Arctic Refuge. 259 organizations, representing more than 27 million members, have launched a campaign against Chevron regarding Arctic drilling.

Beyond the Arctic Refuge, drilling anywhere in the Arctic threatens Indigenous rights, impacts fragile ecosystems, and exacerbates climate-related risks.

**Resolved:** Shareholders request that the Board of Directors issue a public report, within a reasonable time, assessing the benefits and drawbacks of committing to not engage in oil and gas exploration and production in the Arctic, particularly in the Arctic Refuge, as well as the financial and reputational risks to the company associated with such development.



December 18, 2020

P.O. Box 982901  
El Paso, TX 79998-2901

vanguard.com

GREEN CENTURY CAPITAL  
MANAGEMENT INC.  
114 STATE ST STE 200  
BOSTON, MA 02109

To Whom It May Concern::

This letter serves as confirmation that, as of December 17, 2020, Green Century Capital Management Inc.'s corporation Vanguard Brokerage Account \*\*\* held 45.0000 shares of Chevron Corp (CVX). One year prior, on December 17, 2019, the account held 45.0000 shares of CVX. During that one year period, the organization held the shares continuously in the account.

At the owner's request, we've provided transaction history for CVX in Green Century Capital Management Inc.'s corporation Vanguard Brokerage Account \*\*\* from December 17, 2019 to December 17, 2020. The information requested is provided below.

Settlement Date	Trade Date And Transaction Type	Name (SYMBOL)	Share Quantity And Price/ Share	Commissions And Fees	Amount
12/10/2020	12/10/2020 Dividend	Chevron Corp (CVX)	--	--	\$58.05
09/10/2020	09/10/2020	Chevron Corp (CVX)	--	--	\$58.05
06/10/2020	06/10/2020 Dividend	Chevron Corp (CVX)	--	--	\$58.05
03/10/2020	03/10/2020 Dividend	Chevron Corp (CVX)	--	--	\$58.05

Vanguard Brokerage is providing this information at your request. This letter serves as information only and is not an official tax document. Please note that this letter is not intended to replace an account statement, which contains more detailed information about Vanguard investments and specific transactions. For more information, we recommend you consult a qualified tax professional.

If you have any questions, please call Vanguard at **877-662-7447**. You can reach us Monday through Friday, during normal business hours.

Sincerely,

A handwritten signature in black ink that reads "Audrey Zuckerman". The signature is fluid and cursive, with "Audrey" on top and "Zuckerman" below it.

Audrey Zuckerman  
Registered Representative

9706836

GIBSON DUNN

**EXHIBIT D**

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**From:** Jessye Waxman <jwaxman@greencentury.com>  
**Sent:** Tuesday, January 5, 2021 3:48:07 PM  
**To:** Butner, Christopher A (CButner) <CButner@chevron.com>  
**Subject:** [\*\*EXTERNAL\*\*] Proof of ownership - Green Century shareholder resolution

Dear Chris,

Happy new year. I have gotten notice from our custodian that there was an error in the last proof of ownership that we provided. Attached, please find the appropriate proof of ownership demonstrating Green Century's ownership of Chevron Corp's stock between 12/4/29 and 12/4/20. I have attached our filing letter as well, dated Dec 4, as a complement to the ownership letter. For the sake of keeping everything together, I have also attached the revised shareholder resolution to this email (sent to you on December 28, 2020). Please let me know if you have any other questions.

In addition, I'd like to take this opportunity to reemphasize our interest in speaking with company representatives about the concerns highlighted in our shareholder resolution namely the company's plans to pursue drilling in the Arctic National Wildlife Refuge and the Arctic more broadly. Could you please help us coordinate a meeting with the appropriate company representatives to discuss such matters?

Thanks,  
Jessye

-----  
Jessye Waxman  
Shareholder Advocate  
Green Century Capital Management  
(617)-482-0800 | [jwaxman@greencentury.com](mailto:jwaxman@greencentury.com)  
114 State Street, Suite 200, Boston, MA 02109  
[www.greencentury.com](http://www.greencentury.com)



January 4, 2021

P.O. Box 982901  
El Paso, TX 79998-2901

vanguard.com

GREEN CENTURY CAPITAL  
MANAGEMENT INC.  
114 STATE ST STE 200  
BOSTON, MA 02109-2402

To Whom it May Concern:

Please accept this letter as verification that the following Vanguard Brokerage client continuously held 45.0000 shares of Chevron Corp (CVX) in the below referenced account between December 4, 2019, and December 4, 2020. This stock was held through Vanguard Marketing Corporation, a Depository Trust Company (DTC) participant, in the Vanguard Brokerage Account \*\*\*.

Green Century Capital Management Inc.  
Corporation Account

\*\*\*

We've provided the transaction history for CVX from December 4, 2019 through December 4, 2020 held in the above referenced corporation brokerage account.

Settlement Date	Trade Date And Transaction Type	Name (SYMBOL)	Share Quantity And Price/ Share	Commissions And Fees	Amount
09/10/2020	09/10/2020 Dividend	Chevron Corp (CVX)	--	--	\$58.05
06/10/2020	06/10/2020 Dividend	Chevron Corp (CVX)	--	--	\$58.05
03/10/2020	03/10/2020 Dividend	Chevron Corp (CVX)	--	--	\$58.05
12/10/2019	12/10/2019 Dividend	Chevron Corp (CVX)	--	--	\$53.55

Vanguard Brokerage is providing this information at your request. This letter serves as information only and is not an official tax document. Please note that this letter is not intended to replace an account statement, which contains more detailed information about Vanguard investments and specific transactions. For more information, we recommend you consult a qualified tax professional.

If you have any questions, please call Vanguard at **877-662-7447**. You can reach us Monday through Friday, during normal business hours.

Sincerely,

A handwritten signature in black ink that reads "Audrey Zuckerman". The signature is fluid and cursive, with "Audrey" on top and "Zuckerman" below it.

Audrey Zuckerman  
Registered Representative

9770174