



DIVISION OF  
CORPORATION FINANCE

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

March 30, 2022

Salvatore (S.J.) Gagliardi  
Zoetis Inc.

Re: Zoetis Inc. (the "Company")  
Incoming letter dated January 14, 2022

Dear Mr. Gagliardi:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by John Chevedden for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Proposal asks that the Company take all the steps necessary to reorganize the board into one class with each director subject to election each year for a one year-term.

There appears to be some basis for your view that the Company may exclude the Proposal under Rule 14a-8(i)(10). In this regard, we note your representation that the Company will provide shareholders at its 2022 annual meeting with an opportunity to approve amendments to the Company's governing documents to provide for the annual election of directors. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on Rule 14a-8(i)(10).

Copies of all of the correspondence on which this response is based will be made available on our website at <https://www.sec.gov/corpfin/2021-2022-shareholder-proposals-no-action>.

Sincerely,

Rule 14a-8 Review Team

cc: John Chevedden



January 14, 2022

VIA E-MAIL

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

Re: Zoetis Inc. – Shareholder Proposal Submitted by John Chevedden

Ladies and Gentlemen:

This letter is submitted on behalf of Zoetis Inc. (the “Company”) to notify the Staff of the Division of Corporate Finance (the “Staff”) of the Securities and Exchange Commission (the “Commission”) that the Company intends to exclude from its proxy statement and form of proxy for its 2022 Annual Meeting of Shareholders (collectively, the “2022 Proxy Materials”) a shareholder proposal and statements in support thereof (the “Proposal”) received from John Chevedden (the “Proponent”), which are further described below and attached as Exhibit A hereto.

For the reasons outlined below, we hereby respectfully request that the Staff concur in our view that the Proposal may be properly excluded from the 2022 Proxy Materials and confirm that it will not recommend enforcement action to the Commission as a result of such exclusion.

In accordance with Staff Legal Bulletin No. 14D (Nov. 7, 2008), we are submitting this request for no-action relief via the Commission’s email address, [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov). In accordance with Rule 14a-8(j) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), this letter is being filed with the Commission no later than 80 calendar days before the Company intends to file the definitive 2022 Proxy Materials with the Commission, and we are contemporaneously sending a copy of this letter and its attachments to the Proponent as notice of the Company’s intent to exclude the Proposal from the 2022 Proxy Materials. Likewise, we take this opportunity to inform the Proponent that if the Proponent elects to submit any correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should be provided concurrently to the undersigned on behalf of the Company.

**SUMMARY OF THE PROPOSAL**

The Proposal asks that the Company “take all the steps necessary to reorganize the Board of Directors into one class with each director subject to election each year for a one-year term.” Additionally, the Proposal expressly provides the Company with “the option to phase it [the

declassification proposal] in.” A full copy of the Proposal is attached as Exhibit A hereto. In addition, pursuant to Staff Legal Bulletin No. 14C (June 28, 2005), relevant correspondence exchanged with the Proponent is attached as Exhibit B hereto.

## **BASIS FOR EXCLUSION**

The Company hereby respectfully requests that the Staff concur in its view that the Proposal may be properly excluded from the 2022 Proxy Materials on the basis of Rule 14a-8(i)(10): the Company has already substantially implemented the Proposal.

Currently, the Company’s Restated Certificate of Incorporation (the “Certificate of Incorporation”) provides for a classified board of directors divided into three classes, with each class of directors elected for a three-year term. After considering the advantages and disadvantages of declassification, the Company’s board of directors (the “Board”) has determined to approve amendments to the Certificate of Incorporation and the Company’s Amended and Restated By-Laws (the “Bylaws”) to eliminate the classified structure of the Board, to direct that the amendment to the Certificate of Incorporation be submitted to the Company’s shareholders for adoption at the 2022 Annual Meeting of Shareholders and to recommend that the shareholders vote to adopt such amendment. As a result, the Company will have substantially implemented the Proposal and believes the Proposal is excludable under Rule 14a-8(i)(10).

## **ANALYSIS**

### **I. The Proposal May Be Excluded Under Rule 14a-8(i)(10) Because the Company Has Substantially Implemented the Proposal**

#### *A. Rule 14a-8(i)(10) Background*

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal if the company has already “substantially implemented” the proposal. The Staff has stated that the purpose of the predecessor provision to Rule 14a-8(i)(10) was “to avoid the possibility of shareholders having to consider matters which have already been favorably acted upon by management.” *Exchange Act Release No. 12598* (July 7, 1976). The Commission later stated that a formalistic application of the rule requiring full implementation “defeated [the rule’s] purpose”, and then adopted a revised interpretation of the rule to permit the omission of proposals that had been “*substantially implemented*.” (emphasis added) *Exchange Act Release No. 20091* (Aug. 16, 1983) and *Exchange Act Release No. 40018*, at n.30 (May 21, 1998).

The Staff has noted that “a determination that the company has substantially implemented the proposal depends upon whether [the company’s] particular policies, practices and procedures compare favorably with the guidelines of the proposal.” *Texaco, Inc.* (avail. Mar. 28, 1991) The Staff has consistently taken the position that a proposal has been “substantially implemented” and may be excluded under Rule 14a-8(i)(10) when a company can demonstrate that it has already taken actions to address the underlying concerns and essential objectives of the proposal. *See, e.g., Eli Lilly and Co.* (avail. Jan. 8, 2018); *Korn/Ferry International* (avail. July 6, 2017); *NETGEAR, Inc.* (avail. Mar. 31, 2015); *Pfizer, Inc.* (avail. Jan. 11, 2013, recon. Mar. 1, 2013); *Exelon, Inc.* (avail. Feb. 26, 2010); *Hewlett-Packard Co.* (avail. Dec. 11, 2007).

The text of the Proposal makes clear that the Proposal’s essential objective is to remove the classified board structure contained in the Certificate of Incorporation and Bylaws. Directly related to the facts at hand, the Staff has consistently concurred that a board action submitting a declassification amendment for shareholder approval substantially implements a shareholder declassification proposal, and therefore, the shareholder proposal may be excluded from the 2022 Proxy Materials in accordance with Rule 14a-8(i)(10). *See, e.g., Marathon Petroleum Corporation* (avail. Feb. 26, 2021); *Booz Allen Hamilton Holding Corporation* (avail. Apr. 14, 2020); *Hecla Mining Company* (avail. Mar. 1, 2019); *Eli Lilly and Company* (avail. Feb. 22, 2019); *PPG Industries, Inc.* (avail. Feb. 8, 2019); *Costco Wholesale Corp.* (avail. Nov. 16, 2018); *iRobot Corp.* (avail. Feb. 9, 2018); *AbbVie Inc.* (avail. Dec. 22, 2016); *Ryder System, Inc.* (avail. Feb. 11, 2015); *St. Jude Medical, Inc.* (avail. Feb. 3, 2015); *LaSalle Hotel Properties* (avail. Feb. 27, 2014); *Dun & Bradstreet Corp.* (avail. Feb. 4, 2011); *Baxter International Inc.* (avail. Feb. 3, 2011); *Allergan, Inc.* (avail. Jan. 18, 2011); *AmerisourceBergen Corporation* (avail. Nov. 15, 2010); *Textron Inc.* (avail. Jan. 21, 2010); *Del Monte Foods Company* (avail. June 3, 2009); *Visteon Corp.* (avail. Feb. 15, 2007); *Northrop Grumman Corp.* (avail. Mar. 22, 2005) (concurring in each case with the exclusion of a shareholder declassification proposal where the board directed the submission of a declassification amendment for shareholder approval).

*B. The Company’s Proposal Substantially Implements the Proposal*

At the 2022 Annual Meeting of Shareholders, the Board will recommend to the Company’s shareholders that they approve an amendment to the Certificate of Incorporation to declassify the Board (the “Amendment”), which is precisely what the Proposal seeks to accomplish. If approved by the Company’s shareholders as required by Delaware Law, the Amendment would eliminate the classification of the Board over a three-year period beginning at the 2022 Annual Meeting of Shareholders. Directors would be elected to one-year terms following the expiration of the directors’ existing terms, resulting in all directors being elected annually beginning at the 2024 Annual Meeting of Shareholders.

In accordance with the Certificate of Incorporation, the Amendment will require the affirmative vote of at least 80% of votes entitled to be cast thereon by the holders of the outstanding capital stock of the Company. If approved by the shareholders, the Amendment would become effective upon filing a Certificate of Amendment with the Secretary of State of the State of Delaware, which the Company would file promptly following the 2022 Annual Meeting of Shareholders. If the shareholders approve the Amendment, the Board will also make certain conforming changes to the Bylaws.

The Company will “take the steps necessary” to accomplish exactly what the Proposal requests by recommending the Amendment for shareholder approval. Furthermore, the Company’s proposed approach of phasing in the declassification of the Board over a three-year period is explicitly allowed for under the Proposal. The Amendment would have the same effect as the Proposal—it would implement declassification of the Board.

Accordingly, the Company believes that it has satisfied the essential objective of the Proposal. Therefore, the Board’s determination to submit the Amendment for shareholder approval substantially implements the Proposal’s objective and, as such, pursuant to Rule 14a-8(i)(10), we

respectfully request that the Staff concur in our view that the Proposal may be excluded from the 2022 Proxy Materials.

### CONCLUSION

For the foregoing reasons, we are of the view that the Proposal will have already been substantially implemented by the Company. As such, on behalf of the Company, we respectfully request that the Staff confirm that it will not recommend enforcement action if the Company excludes the Proposal from its 2022 Proxy Materials in reliance on 14a-8(i)(10).

If you have any questions, or if the Staff is unable to concur with our view without additional information or discussions, we respectfully request the opportunity to confer with members of the Staff prior to the issuance of any written response to this letter. Please do not hesitate to contact the undersigned, Salvatore (S.J.) Gagliardi, at (646) 872-0228 or [salvatore.gagliardi@zoetis.com](mailto:salvatore.gagliardi@zoetis.com).

Very truly yours,

/s/ Salvatore (S.J.) Gagliardi

Salvatore (S.J.) Gagliardi

Vice President & Chief Counsel, Business Transactions, Corporate Governance, and Accelerated Growth Businesses, Zoetis Inc.

cc: John Chevedden  
Heidi Chen, Executive Vice President, General Counsel and Corporate Secretary; Lead of Human Health Diagnostics, Zoetis. Inc.

Enclosures

**Exhibit A**

See attached.

JOHN CHEVEDDEN

Ms. Heidi C. Chen  
Corporate Secretary  
Zoetis Inc. (ZTS)  
10 Sylvan Way  
Parsippany, NJ 07054  
PH: 973-822-7000

Dear Ms. Chen,

This Rule 14a-8 proposal is respectfully submitted in support of the long-term performance of our company.

This Rule 14a-8 proposal is intended as a low-cost method to improve company performance – especially compared to the substantial capitalization of our company.

This proposal is for the next annual shareholder meeting.

**I intend to continue to hold through the date of the Company's 2022 Annual Meeting of Stockholders the requisite amount of Company shares used to satisfy the applicable ownership requirement.**

This submitted format, with the shareholder-supplied emphasis, is intended to be used for definitive proxy publication.

Please assign the proper sequential proposal number in each appropriate place.

I expect to forward a broker letter soon so if you acknowledge this proposal in an email message it may very well save you from requesting a broker letter from me.

Sincerely,

  
John Chevedden

  
Date

cc: Mande Lee <mandee.lee@zoetis.com>  
Salvatore Gagliardi <salvatore.gagliardi@zoetis.com>  
Steve Frank <steve.frank@zoetis.com>

[ZTS: Rule 14a-8 Proposal, October 29, 2021]  
[This line and any line above it – *Not* for publication.]

**Proposal 4 – Elect Each Director Annually**

RESOLVED, shareholders ask that our Company take all the steps necessary to reorganize the Board of Directors into one class with each director subject to election each year for a one-year term.

Although our management can adopt this proposal topic in one-year and implementation in one-year is a best practice, this proposal allows the option to phase it in.

Classified Boards like the ANSS Board have been found to be one of 6 entrenching mechanisms that are negatively related to company performance according to “What Matters in Corporate Governance” by Lucien Bebchuk, Alma Cohen and Allen Ferrell of the Harvard Law School.

Arthur Levitt, former Chairman of the Securities and Exchange Commission said, “In my view it’s best for the investor if the entire board is elected once a year. Without annual election of each director shareholders have far less control over who represents them.”

A total of 79 S&P 500 and Fortune 500 companies, worth more than \$1 trillion, also adopted this important proposal topic since 2012. Annual election of each director could make directors more accountable, and thereby contribute to improved performance and increased company value at virtually no extra cost to shareholders. Thus it was not a surprise that this proposal topic won more than 96%-support at both Centene Corporation and Teleflex in 2021.

Annual election of each director gives shareholders more leverage if management performs poorly. For instance if management promotes executive pay that is excessive or is poorly incentivized shareholders can soon vote against the Chair of the management pay committee instead of waiting 3-years under the current setup.

For example 38 million votes were cast against Zoetis management pay at our 2021 annual meeting. If this number increases it could be a red flag. Or if a director takes too many lucrative seats on other Boards to do any job effectively. We need the ability to discipline directors promptly with annual election of each director instead of a 3-year wait.

Please vote yes:

**Elect Each Director Annually – Proposal 4**

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



Notes:

“Proposal 4” stands in for the final proposal number that management will assign.

This proposal is believed to conform with Staff Legal Bulletin No. 14B (CF), September 15, 2004 including (emphasis added):

Accordingly, going forward, we believe that it would not be appropriate for companies to exclude supporting statement language and/or an entire proposal in reliance on rule 14a-8(l)(3) in the following circumstances:

- the company objects to factual assertions because they are not supported;
- the company objects to factual assertions that, while not materially false or misleading, may be disputed or countered;
- the company objects to factual assertions because those assertions may be interpreted by shareholders in a manner that is unfavorable to the company, its directors, or its officers; and/or
- the company objects to statements because they represent the opinion of the shareholder proponent or a referenced source, but the statements are not identified specifically as such.

**We believe that it is appropriate under rule 14a-8 for companies to address these objections in their statements of opposition.**

See also: Sun Microsystems, Inc. (July 21, 2005).

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

The color version of the below graphic is to be published immediately after the bold title line of the proposal.

Will consider withdrawal of the graphic if management commits to a fair presentation of the proposal which includes:

No management graphic in connection with the rule 14a-8 proposals in the proxy or ballot.

No proxy or ballot text suggesting that the proposal will be moot due to lack of presentation.

No ballot electioneering text repeating the negative management recommendation.

Management will give me the opportunity to correct any typographical errors.

Management will give me advance notice if it does a special solicitation that mentions this proposal.



FOR

*Shareholder  
Rights*

January 16, 2022

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

**# 1 Rule 14a-8 Proposal**  
**Zoetis Inc. (ZTS)**  
**Elect Each Director Annually**  
**John Chevedden**

Ladies and Gentlemen:

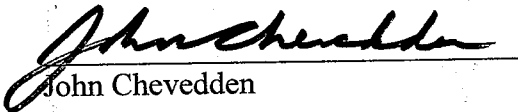
This is in regard to the January 14, 2022 no-action request.

This could be called a bad practice, placeholder, skeleton no action request. It merely says that the board has informally determined to declassify the board with no timeline for formal board approval and no details on when or how declassification might occur.

This puts the Staff and the proponent at a disadvantage because management can withhold details of a future formal board approval until March and then pound the table that a quick Staff determination is needed or printing of the proxy will be disrupted resulting in tens of thousands of dollars in added expenses. Last minute details from management could thus exclude a proponent rebuttal altogether or result in a rushed skeleton proponent rebuttal.

Management failed to include the revised 2022 rule 14a-8 proposal which is attached.

Sincerely,

  
John Chevedden

cc: Salvatore Gagliardi

[ZTS: Rule 14a-8 Proposal, October 29, 2021, Revised December 7, 2021]

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

**Proposal 4 – Elect Each Director Annually**

RESOLVED, shareholders ask that our Company take all the steps necessary to reorganize the Board of Directors into one class with each director subject to election each year for a one-year term.

Although our management can adopt this proposal topic in one-year and implementation in one-year is a best practice, this proposal allows the option to phase it in.

Classified Boards like the Zoetis Board have been found to be one of 6 entrenching mechanisms that are negatively related to company performance according to “What Matters in Corporate Governance” by Lucien Bebchuk, Alma Cohen and Allen Ferrell of the Harvard Law School.

Arthur Levitt, former Chairman of the Securities and Exchange Commission said, “In my view it’s best for the investor if the entire board is elected once a year. Without annual election of each director shareholders have far less control over who represents them.”

A total of 79 S&P 500 and Fortune 500 companies, worth more than \$1 trillion, have adopted this important proposal topic since 2012. Annual election of each director could make directors more accountable, and thereby contribute to improved performance and increased company value at virtually no extra cost to shareholders. Thus it was not a surprise that this proposal topic won more than 96%-support at both Centene Corporation and Teleflex in 2021.

Annual election of each director gives shareholders more leverage if management performs poorly. For instance if management approves executive pay that is excessive or is poorly incentivized shareholders can soon vote against the Chair of the management pay committee instead of waiting 3-years under the current setup.

Unfortunately 38 million votes were cast against Zoetis management pay at our 2021 annual meeting. If this number increases it could be a red flag. Or if a director takes too many lucrative seats on other Boards to do any job effectively. We need the ability to discipline directors promptly with annual election of each director instead of the current potential of 3-years of delay.

Please vote yes:

**Elect Each Director Annually – Proposal 4**

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

January 24, 2022

VIA E-MAIL

Office of Chief Counsel  
Division of Corporate Finance  
Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549

Re: Zoetis Inc. – Shareholder Proposal Submitted by John Chevedden

Ladies and Gentlemen:

On January 14, 2022, we submitted a letter (the “No-Action Request”) on behalf of Zoetis Inc. (the “Company”) requesting that the staff of the Division of Corporation Finance (the “Staff”) of the Securities and Exchange Commission (the “Commission”) (i) concur with our view that, for the reasons stated in the No-Action Request, it may properly exclude a shareholder proposal and statements in support thereof (the “Original Proposal”) received from John Chevedden (the “Proponent”) from the proxy statement and form of proxy for its 2022 Annual Meeting of Shareholders (collectively, the “2022 Proxy Materials”) on the basis of Rule 14a-8(i)(10) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and (ii) confirm that the Staff will not recommend enforcement action to the Commission as a result of such exclusion.

On January 16, 2022, the Proponent submitted a letter to the Staff (the “Rebuttal”) stating that (i) the Company had attached to its No-Action Request the Original Proposal but failed to include the Proponent’s revised proposal, which the Proponent purportedly submitted to the Company on December 7, 2021 (the “Revised Proposal”) and (ii) the Company had failed to provide a “timeline for formal board approval and details on when or how declassification might occur.”

We submit this supplemental letter to the Staff to address the Proponent’s remarks and provide additional information with respect to our No-Action Request. In accordance with Rule 14a-8(j) of the Exchange Act, a copy of this submission is being emailed simultaneously to the Proponent. Likewise, we take this opportunity to inform the Proponent that if the Proponent elects to submit any correspondence to the Commission or the Staff with respect to the Original Proposal or the Revised Proposal, a copy of that correspondence should be provided concurrently to the undersigned on behalf of the Company.

## **I. The Company Did Not Receive the Proponent’s Revised Proposal**

The Proponent claims that “[m]anagement failed to include the revised 2022 rule 14a-8 proposal” in its No-Action Request. The Company, however, has no records of having received the Revised Proposal and first learnt of the existence of such proposal upon receipt of the Rebuttal. Since January 16, 2022, the relevant members of our management team have verified both their electronic and regular mail and confirmed that they were unable to locate a copy of the

Revised Proposal. Notwithstanding the Proponent's unsubstantiated accusation, we have reviewed a comparison of the Revised Proposal against the Original Proposal, a courtesy copy of which is attached hereto as Exhibit A, to evaluate whether the updates could meaningfully impact our No-Action Request. As is evident in the comparison, the updates to the Original Proposal are immaterial and have no bearing on our request for exclusion pursuant to Rule 14a-8(i)(10). The Proponent has merely corrected the Original Proposal, which referred to the board of directors of a different company, and made a handful of stylistic, non-substantive changes to the wording of the Original Proposal. As with the Original Proposal, the Revised Proposal advocates for the elimination of the Company's classified board structure and, importantly, allows "the option to phase it in."

## **II. The Company's Board Intends to Formally Adopt the Full Charter Amendment for Shareholder Approval as Part of the Declassification Proposal at its Regularly Scheduled Meeting on February 8, 2022**

In the No-Action Request, we indicated that the Company's board of directors (the "Board") had determined to approve amendments to the Company's Restated Certificate of Incorporation (the "Certificate of Incorporation") and the Company's Amended and Restated By-Laws (the "Bylaws") to eliminate the classified structure of the Board, to direct that the amendment to the Certificate of Incorporation be submitted to the Company's shareholders for adoption at the 2022 Annual Meeting of Shareholders and to recommend that the shareholders vote to adopt such amendment.

The Board intends, at its regularly scheduled meeting to be held on February 8, 2022 (the "February Meeting"), to adopt resolutions approving amendments to the Certificate of Incorporation (the "Charter Amendment") eliminating the Company's classified board structure over a three-year period beginning at the Company's 2022 Annual Meeting of Shareholders (*i.e.*, resulting in all directors being elected annually beginning at the 2024 Annual Meeting of Shareholders), directing that the Charter Amendment be submitted to shareholders for adoption at the 2022 Annual Meeting of Shareholders and recommending that shareholders vote to adopt the Charter Amendment. If the shareholders approve the Charter Amendment, the Board will also make conforming changes to the Bylaws to eliminate the classified board structure (the "Bylaw Amendment"). As a result, upon confirmation that the Board has approved the Charter Amendment at the February Meeting, the Company will have substantially implemented the Revised Proposal and believes the Revised Proposal is thus excludable under Rule 14a-8(i)(10).

We would like to clarify that we submitted the No-Action Request on behalf of the Company prior to the February Meeting in order to address the timing requirements of Rule 14a-8(j). Following the February Meeting and consistent with recognized precedent as cited below, we will submit a supplemental letter notifying the Staff of the Board's formal action on this matter, which will include a copy of the Charter Amendment approved by the Board. The Staff consistently has granted no-action relief under Rule 14a-8(i)(10) where a company has notified the Staff that it intends to recommend that its board of directors take a certain action that will substantially implement the proposal and then supplements its request for no-action relief by notifying the Staff after that action has been taken by the board of directors. See, e.g., *Marathon Petroleum* (avail. Feb. 26, 2021); *Gilead Sciences, Inc.* (avail. Mar. 6, 2019); *State Street Corporation* (avail. Mar. 5, 2018); *AbbVie Inc.* (avail. Feb. 16, 2018); *United Technologies*

*Corporation* (avail. Feb. 14, 2018); *PPG Industries, Inc.* (avail. Jan. 23, 2018); *The Southern Co.* (Feb. 24, 2017); *Windstream Holdings* (avail. Feb. 14, 2017); *NETGEAR, Inc.* (avail. Mar. 31, 2015); *Medivation, Inc.* (avail. Mar. 13, 2015); *Visa Inc.* (avail. Nov. 14, 2014); *Hewlett-Packard Co.* (avail. Dec. 19, 2013); *Starbucks Corp.* (avail. Nov. 27, 2012); *NiSource Inc.* (avail. Mar. 10, 2008); *Johnson & Johnson* (avail. Feb. 19, 2008); *Hewlett-Packard Co. (Steiner)* (avail. Dec. 11, 2007); *General Motors Corp.* (avail. Mar. 3, 2004); and *Intel Corp.* (avail. Mar. 11, 2003) (each granting no-action relief where the company notified the Staff of its intention to omit a shareholder proposal under Rule 14a-8(i)(10) because the board of directors was expected to take action that would substantially implement the proposal, and the company supplementally notified the Staff of the board action).

Accordingly, the Company believes that once the Board approves the Charter Amendment at the February Meeting and submits it for shareholder approval at the 2022 Annual Meeting of Shareholders, the Board will have taken all of the steps necessary that are within its power to address the underlying concerns of the Revised Proposal. As a result, the Company will have addressed the essential objective of the Revised Proposal, and the Revised Proposal will have been substantially implemented and may be excluded under Rule 14a-8(i)(10).

As stated in our No-Action Request, in accordance with the Certificate of Incorporation, the Charter Amendment will require the affirmative vote of at least 80% of votes entitled to be cast thereon by the holders of the outstanding capital stock of the Company. If approved by the shareholders, the Charter Amendment would become effective upon filing a Certificate of Amendment with the Secretary of State of the State of Delaware, which the Company would file promptly following the 2022 Annual Meeting of Shareholders. If the shareholders approve the Charter Amendment, the Board will implement the Bylaw Amendment.

\* \* \*

If you have any questions, or if the Staff is unable to concur with our view without additional information or discussions, we respectfully request the opportunity to confer with members of the Staff prior to the issuance of any written response to this letter. Please do not hesitate to contact the undersigned, Salvatore (S.J.) Gagliardi, at (646) 872-0228 or [salvatore.gagliardi@zoetis.com](mailto:salvatore.gagliardi@zoetis.com).

Very truly yours,



Salvatore (S.J.) Gagliardi

Vice President & Chief Counsel,  
Business Transactions, Corporate  
Governance, and Accelerated Growth  
Businesses, Zoetis Inc.

cc: John Chevedden

Heidi Chen, Executive Vice President, General Counsel and Corporate Secretary; Lead of  
Human Health Diagnostics, Zoetis. Inc.

Enclosures

Exhibit A



[ZTS: Rule 14a-8 Proposal, October 29, [2021, Revised December 7, 2021](#)]  
[This line and any line above it - *Not* for publication.]

#### **Proposal 4 - Elect Each Director Annually**

RESOLVED, shareholders ask that our Company take all the steps necessary to reorganize the Board of Directors into one class with each director subject to election each year for a one-year term.

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Arthur Levitt, former Chairman of the Securities and Exchange Commission said, “In my view it’s best for the investor if the entire board is elected once a year. Without annual election of each director shareholders have far less control over who represents them.”

A total of 79 S&P 500 and Fortune 500 companies, worth more than \$1 trillion, ~~also~~[have](#) adopted this important proposal topic since 2012. Annual election of each director could make directors more accountable, and thereby contribute to improved performance and increased company value at virtually no extra cost to shareholders. Thus it was not a surprise that this proposal topic won more than 96%-support at both Centene Corporation and Teleflex in 2021.

Annual election of each director gives shareholders more leverage if management performs poorly. For instance if management ~~promotes~~[approves](#) executive pay that is excessive or is poorly incentivized shareholders can soon vote against the Chair of the management pay committee instead of waiting 3-years under the current setup.

~~For example~~[Unfortunately](#) 38 million votes were cast against Zoetis management pay at our 2021 annual meeting. If this number increases it could be a red flag. Or if a director takes too many lucrative seats on other Boards to do any job effectively. We need the ability to discipline directors promptly with annual election of each director instead of ~~at~~[the current potential of 3-year wait](#)~~years of delay.~~

Please vote yes:

#### **Elect Each Director Annually - Proposal 4**

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

JOHN CHEVEDDEN

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January 31, 2022

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

**# 2 Rule 14a-8 Proposal**  
**Zoetis Inc. (ZTS)**  
**Elect Each Director Annually**  
**John Chevedden**

Ladies and Gentlemen:

This is in regard to the January 14, 2022 no-action request.

In regard to management failed to include the revision of the 2022 rule 14a-8 proposal in its no action request, the attached letter in regard to another company in the 2022 no action process is an example of the management of a company overlooking a message it received from a proponent.

Zoetis management said, without any detail, that it had no record of receiving the December 7, 2021 revision.

There will be a full rebuttal once management takes action. It is requested that the Staff allow time for a full rebuttal given that management has had since before Halloween 2021 to take action.

Sincerely,

  
John Chevedden

cc: Salvatore Gagliardi

# WILSON SONSINI

Wilson Sonsini Goodrich & Rosati  
Professional Corporation  
650 Page Mill Road  
Palo Alto, California 94304-1050

O: [REDACTED]  
F: [REDACTED]

DOUGLAS K. SCHNELL

Internet: [REDACTED]@ [REDACTED]

Direct dial: [REDACTED]

Client File No.: [REDACTED]

January 27, 2022

**BY EMAIL (shareholderproposals@sec.gov)**

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

**Re: Shareholder Proposal of Kenneth Steiner Submitted to Zynga Inc.**

Ladies and Gentlemen:

In a letter dated January 19, 2022, we requested that the Staff of the Division of Corporation Finance (the "Staff") concur that our client, Zynga Inc. (the "Company"), could exclude the shareholder proposal and supporting statement (the "Proposal") submitted by Kenneth Steiner (the "Proponent") from the proxy materials (the "2022 Proxy Materials") to be distributed by the Company in connection with its 2022 Annual Meeting of Shareholders (the "2022 Annual Meeting") pursuant to:

- Rule 14a-8(b) and Rule 14a-8(f)(1) because the Proponent failed to provide, within 14 days of receipt of the Company's request, a written statement of his intention to continue to hold the required amount of the Company's securities through the date of the 2022 Annual Meeting;
- Rule 14a-8(b) and Rule 14a-8(f)(1) because the Proponent failed to provide, within 14 days of receipt of the Company's request, the written documentation required for a proponent that is using a representative to submit a shareholder proposal on the proponent's behalf; and
- Rule 14a-8(i)(6) because the Company does not have the authority to implement the Proposal because the Company is a party to a binding merger agreement that restricts the Company's ability, directly or indirectly, to modify its organizational documents.

After the submission of our letter, the Proponent, through his representative John Chevedden, submitted a letter to the Staff concerning his compliance with Rule 14a-8(b) and

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**WILSON  
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Office of Chief Counsel  
January 27, 2022  
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Rule 14a-8(f)(1) (the "January 19 Response Letter"). The Company subsequently conducted an investigation of the veracity of the statements made in the January 19 Response Letter. In the light of that investigation, the Company is withdrawing its request that the Staff concur with the Company's view that the Proposal may be excluded from the 2022 Proxy Materials pursuant to Rule 14a-8(b) and Rule 14a-8(f)(1).

The Company continues to request that the Staff concur with the Company's view that the Company may exclude the Proposal from the 2022 Proxy Materials pursuant to Rule 14a-8(i)(6).

If you have any questions, please do not hesitate to contact me at the telephone number above.

Very truly yours,

**WILSON SONSINI GOODRICH & ROSATI**  
Professional Corporation

/s/ Douglas K. Schnell

Douglas K. Schnell

**Enclosures**

cc: Zynga Inc.  
Phuong Phillips  
Matt Tolland  
Samir Najam

John Chevedden

Wilson Sonsini Goodrich & Rosati, Professional Corporation  
Steven V. Bernard

February 9, 2022

VIA E-MAIL

Office of Chief Counsel  
Division of Corporate Finance  
Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549

Re: Zoetis Inc. – Shareholder Proposal Submitted by John Chevedden

Ladies and Gentlemen:

On January 14 and 24, 2022, we submitted letters (collectively, the “No-Action Request”) on behalf of Zoetis Inc. (the “Company”) requesting that the staff of the Division of Corporation Finance (the “Staff”) of the Securities and Exchange Commission (the “Commission”) (i) concur with our view that, for the reasons stated in the No-Action Request, the Company may properly exclude a shareholder proposal and statements in support thereof (the “Proposal”) received from John Chevedden (the “Proponent”) from the proxy statement and form of proxy for its 2022 Annual Meeting of Shareholders (collectively, the “2022 Proxy Materials”) on the basis of Rule 14a-8(i)(10) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and (ii) confirm that the Staff will not recommend enforcement action to the Commission as a result of such exclusion.

In accordance with Rule 14a-8(j) of the Exchange Act, a copy of this submission is being emailed simultaneously to the Proponent. Likewise, we take this opportunity to inform the Proponent that if the Proponent elects to submit any correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should be provided concurrently to the undersigned on behalf of the Company.

The Company stated in the No-Action Request its belief that the Proposal may be excluded from the 2022 Proxy Materials because the Company’s Board of Directors (the “Board”) intended, at its regularly scheduled meeting to be held on February 8, 2022, to take action that would substantially implement the Proposal in accordance with Rule 14a-8(i)(10). Specifically, the Board intended to adopt at such meeting resolutions approving amendments to the Certificate of Incorporation (the “Charter Amendment”) eliminating the Company’s classified board structure over a three-year period beginning at the Company’s 2022 Annual Meeting of Shareholders (*i.e.*, resulting in all directors being elected annually beginning at the 2024 Annual Meeting of Shareholders), directing that the Charter Amendment be submitted to shareholders for adoption at the 2022 Annual Meeting of Shareholders and recommending that shareholders vote to adopt the Charter Amendment.

We submit this supplemental letter to notify the Staff that on February 8, 2022, the Board adopted resolutions approving the Charter Amendment, directing that the Charter Amendment be submitted to shareholders for adoption at the 2022 Annual Meeting of Shareholders and

recommending that shareholders vote to adopt the Charter Amendment. The text of the Charter Amendment approved by the Board is attached hereto as Exhibit A.

If the Company's shareholders approve the Charter Amendment at the 2022 Annual Meeting of Shareholders, the Board will also make conforming changes to the Bylaws to eliminate the classified board structure (the "Bylaw Amendment") and the Company will promptly file a Certificate of Amendment or a Restated Certificate, as the Company deems appropriate, setting forth the Charter Amendment with the Secretary of State for the State of Delaware. Upon such filing, the Board will, over the course of a three-year period beginning with the 2022 Annual Meeting of Shareholders, be reorganized into a single class with each director subject to election each year for a one-year term, which is precisely what the Proposal seeks to accomplish. By approving the proposed Charter Amendment and submitting it for shareholder approval at the 2022 Annual Meeting of Shareholders, the Board has taken all of the steps necessary that are within its power to address the underlying concerns and essential objective of the Proposal.

As discussed in the No-Action Request, Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal from its proxy materials if the company has substantially implemented the proposal. Applying the principles described in the No-Action Request, the Staff has consistently concurred that a board action submitting a declassification amendment for shareholder approval substantially implements a shareholder declassification proposal and has permitted such shareholder proposal to be omitted from the company's proxy materials pursuant to Rule 14a-8(i)(10). *See, e.g., Marathon Petroleum Corporation* (avail. Feb. 26, 2021); *Booz Allen Hamilton Holding Corporation* (avail. Apr. 14, 2020); *Hecla Mining Company* (avail. Mar. 1, 2019); *Eli Lilly and Company* (avail. Feb. 22, 2019); *PPG Industries, Inc.* (avail. Feb. 8, 2019); *Costco Wholesale Corp.* (avail. Nov. 16, 2018); *iRobot Corp.* (avail. Feb. 9, 2018); *AbbVie Inc.* (avail. Dec. 22, 2016); *Ryder System, Inc.* (avail. Feb. 11, 2015); *St. Jude Medical, Inc.* (avail. Feb. 3, 2015); *LaSalle Hotel Properties* (avail. Feb. 27, 2014); *Dun & Bradstreet Corp.* (avail. Feb. 4, 2011); *Baxter International Inc.* (avail. Feb. 3, 2011); *Allergan, Inc.* (avail. Jan. 18, 2011); *AmerisourceBergen Corporation* (avail. Nov. 15, 2010); *Textron Inc.* (avail. Jan. 21, 2010); *Del Monte Foods Company* (avail. June 3, 2009); *Visteon Corp.* (avail. Feb. 15, 2007); *Northrop Grumman Corp.* (avail. Mar. 22, 2005) (concurring in each case with the exclusion of a shareholder declassification proposal where the board directed the submission of a declassification amendment for shareholder approval).

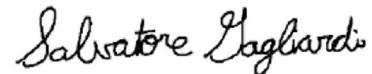
As stated in our No-Action Request, in accordance with the Certificate of Incorporation, the Charter Amendment will require the affirmative vote of at least 80% of votes entitled to be cast thereon by the holders of the outstanding capital stock of the Company. If approved by the shareholders, the Charter Amendment would become effective upon the filing of a Certificate of Amendment or Restated Certificate, as the Company deems appropriate, with the Secretary of State of the State of Delaware, which the Company would file promptly following the 2022 Annual Meeting of Shareholders. If the shareholders approve the Charter Amendment, the Board will implement the Bylaw Amendment.

Accordingly, as stated in the No-Action Request, the Company believes that it has addressed the essential objective of the Proposal and that the Proposal has been substantially implemented and may be excluded under Rule 14a-8(i)(10).

\* \* \*

If you have any questions, or if the Staff is unable to concur with our view without additional information or discussions, we respectfully request the opportunity to confer with members of the Staff prior to the issuance of any written response to this letter. Please do not hesitate to contact the undersigned, Salvatore (S.J.) Gagliardi, at (646) 872-0228 or [salvatore.gagliardi@zoetis.com](mailto:salvatore.gagliardi@zoetis.com).

Very truly yours,



Salvatore (S.J.) Gagliardi

Vice President & Chief Counsel,  
Business Transactions, Corporate  
Governance, and Accelerated Growth  
Businesses, Zoetis Inc.

cc: John Chevedden  
Heidi Chen, Executive Vice President, General Counsel and Corporate Secretary; Lead of  
Human Health Diagnostics, Zoetis Inc.

Enclosures

Exhibit A

**FIFTH:**

B. Prior to the 2022 annual meeting of stockholders, tThe directors shall be divided into three classes, designated class I, class II and class III. So long as the Board of Directors is classified, Eeach class shall consist, as nearly as may be possible, of one-third of the total number of directors constituting the entire Board of Directors. ~~The initial division of the Board of Directors into classes shall be made by the decision of the affirmative vote of a majority of the entire Board of Directors. The term of the initial class I directors shall terminate on the date of the 2014 annual meeting of stockholders; the term of the initial class II directors shall terminate on the date of the 2015 annual meeting of stockholders; and the term of the initial class III directors shall terminate on the date of the 2016 annual meeting of stockholders or, in each case, upon such director's earlier death, resignation or removal. At each succeeding annual meeting of stockholders beginning in 2014, successors to the class of directors whose term expires at that annual meeting shall be elected for a three-year term and until their successors are duly elected and qualified. Commencing with the 2022 annual meeting of stockholders, each class of directors whose term shall then expire shall be elected to hold office for a one-year term expiring at the next annual meeting of stockholders. If the number of directors is changed, any increase or decrease shall be apportioned by the Board of Directors among the classes so as to maintain the number of directors in each class as nearly equal as possible, and any additional director of any class~~ Any director elected to fill a vacancy resulting from an increase in ~~such classthe number of~~ directors or from the removal from office, death, disability, resignation or disqualification of a director or other cause shall hold office for the unexpired term of his or her predecessor in office or, in the case of an additional director, until the next annual meeting of stockholders ~~a term that shall coincide with the remaining term of that class,~~ but in no case will a decrease in the number of directors have the effect of removing or shortening the term of any incumbent director. In addition to any vote of the Board of Directors required by this Certificate of Incorporation or the GCL, for so long as Pfizer owns a majority of the total voting power of the outstanding shares of all classes of capital stock entitled to vote (on matters other than the election of directors), the affirmative vote of a majority of the votes entitled to be cast thereon by the holders of the then outstanding capital stock of the Corporation shall be required to amend, alter or repeal, or adopt any provision inconsistent with, this paragraph B of Article FIFTH; thereafter, the affirmative vote of at least eighty percent (80%) of the votes entitled to be cast thereon by the holders of the then outstanding capital stock of the Corporation shall be required to amend, alter or repeal, or adopt any provision inconsistent with, this paragraph B of Article FIFTH.



JOHN CHEVEDDEN

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February 9, 2022

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

**# 3 Rule 14a-8 Proposal**  
**Zoetis Inc. (ZTS)**  
**Elect Each Director Annually**  
**John Chevedden**

Ladies and Gentlemen:

This is in regard to the January 14, 2022 no-action request.

Management is clearly wrong about what “precisely the Proposal seeks to accomplish.” Compare “precisely” to the words in the proposal:  
“Although our management can adopt this proposal topic in one-year and implementation in one-year is a best practice, this proposal allows the option to phase it in.”

Taking 3-years to adopt the management proposal means that management values the director votes from the shareholders who sold their stock over the director votes from the shareholders who still own their stock.

Plus with a requirement to obtain an 80%-vote the management proposal would need to be approved by more shares than management pay was approved by in 2021. Management pay received a 77%-vote from the shares outstanding.

According to the management letter it appears that management will publish a tombstone proposal and then walk away from it and let it flounder to obtain whatever vote it gets by chance.

Sincerely,

  
John Chevedden