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

DIVISION OF
CORPORATION FINANCE

November 8, 2022

Elizabeth A. Ising
Gibson, Dunn & Crutcher LLP

Re: Walgreens Boots Alliance, Inc. (the "Company")
Incoming letter dated September 16, 2022

Dear Elizabeth A. Ising:

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

There appears to be some basis for your view that the Company may exclude the Proposal under Rule 14a-8(f) because the Proponent did not comply with Rule 14a-8(b)(1)(i). As required by Rule 14a-8(f), the Company notified the Proponent of the problem, and the Proponent failed to adequately correct it. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on Rules 14a-8(b)(1)(i) and 14a-8(f). In reaching this position, we have not found it necessary to address the alternative bases for omission upon which the Company relies.

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

GIBSON DUNN

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September 16, 2022

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

Re: *Walgreens Boots Alliance, Inc.*
Stockholder Proposal of Myra K. Young
Securities Exchange Act of 1934—Rule 14a-8

Ladies and Gentlemen:

This letter is to inform you that our client, Walgreens Boots Alliance, Inc. (the "Company"), intends to omit from its proxy statement and form of proxy for its 2023 Annual Meeting of Stockholders (collectively, the "2023 Proxy Materials") a stockholder proposal (the "Proposal") and statements in support thereof (the "Supporting Statement") received from Myra K. Young (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 2023 Proxy Materials with the Commission; and

- concurrently sent a copy 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.

THE PROPOSAL

The Proposal states:

> Resolved: Shareholders of Walgreens Boots Alliance, Inc ("WBA" or "Company") request WBA adopt a policy requiring that any trade association, social welfare organization, or other organization that engages in political activities seeking financial support from Company agree to report to WBA, at least annually, the organization's expenditures for political activities, including amounts spent and recipients, and that each such report be posted on WBA's website. For purposes of this proposal, "political activities" are:
>
> (i) influencing or attempting to influence the selection, nomination, election, or appointment of any individual to a public office; or
>
> (ii) supporting a party, committee, association, fund, or other organization organized and operated primarily for the purpose of directly or indirectly accepting contributions or making expenditures to engage in the activities described in (i).
>
> This proposal does not encompass lobbying spending.

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

BASES FOR EXCLUSION

We hereby respectfully request that the Staff concur in our view that the Proposal may be excluded from the 2023 Proxy Materials pursuant to:

- Rule 14a-8(b) and Rule 14a-8(f)(1) because the Proponent failed to establish the requisite eligibility to submit the Proposal despite proper notice;
- Rule 14a-8(i)(7) because the Proposal deals with matters relating to the Company's ordinary business operations; and
- Rule 14a-8(i)(6) because the Company lacks the power or authority to implement the Proposal in the manner that the Proposal requests.

ANALYSIS

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

A. Background

The Proposal was submitted to the Company via email on August 8, 2022 (the "Submission Date"), which was received by the Company on the same day. *See* Exhibit A. The Proponent's submission did not include any documentary evidence of her ownership of Company shares. In addition, the Company reviewed its stock records, which did not indicate that the Proponent was a record owner of Company shares. Subsequently, on August 9, 2022, the Company received from the Proponent via email a new submission letter revising the Proponent's previous delegation of authority, but not changing the Proposal. *See* Exhibit B. On August 15, 2022, the Company also received from the Proponent's representative via email a letter from TD Ameritrade dated August 10, 2022, verifying ownership of 50 Company shares for the continuous period from August 10, 2019 to August 10, 2022 (the "Broker Letter"). *See* Exhibit C. As discussed in more detail in Part I.B. below, the Broker Letter contained a procedural deficiency: it did not provide verification that the Proponent satisfied one of the ownership requirements set forth in Rule 14a-8(b) for annual meetings to be held after January 1, 2023 because it verified continuous ownership of $2,137.00[1] in market value of the Company's shares for a period of two years and 363 days preceding and including the Submission Date. On August 15, 2022, the Company confirmed via email that it received the Broker Letter, but did not comment on its content. *See* Exhibit D.

Accordingly, the Company properly sought verification of share ownership from the Proponent. Specifically, and in accordance with Staff Legal Bulletin No. 14L (Nov. 3, 2021) ("SLB 14L"), the Company sent the Proponent and the Proponent's representative a letter dated August 22, 2022 identifying the deficiency, notifying the Proponent of the requirements of Rule 14a-8 and explaining how the Proponent could cure the procedural deficiency (the "Deficiency Notice"). The Deficiency Notice, attached hereto as Exhibit E, provided detailed information regarding the "record" holder requirements, as clarified by Staff Legal Bulletin No. 14F (Oct. 18, 2011) ("SLB 14F") and SLB 14L, and attached copies of Rule 14a-8, SLB 14F and SLB 14L. Specifically, the Deficiency Notice stated:

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[1] Staff Legal Bulletin No. 14 (Jul. 13, 2001) ("SLB 14") indicates that in order to determine whether a market value threshold is satisfied, the Staff looks at whether the threshold was satisfied "on any date with the 60 calendar days before the date the [stockholder] submits the proposal." During this 60-calendar-day period, the Company's high trading price was $42.74.

- the three ownership requirements (each an "Ownership Requirement," and collectively the "Ownership Requirements") that satisfy Rule 14a-8(b) for annual meetings to be held after January 1, 2023;

- that, according to the Company's stock records, the Proponent was not a record owner of sufficient shares to satisfy any of the Ownership Requirements;

- that the Broker Letter was insufficient to demonstrate ownership because it did not satisfy any of the Ownership Requirements: "while it verifies ownership of 50 Company shares (the "Shares") from August 10, 2019 to August 10, 2022, the [Broker] Letter does not verify ownership of the Shares for the three-year period preceding and including the Submission Date, nor does it verify ownership of the requisite amount of Company shares to satisfy either of the Ownership Requirements set forth in clauses (2) or (3) in the paragraph above";

- the type of statement or documentation necessary to demonstrate beneficial ownership under Rule 14a-8(b), including "a written statement from the 'record' holder of the Proponent's shares (usually a broker or a bank) verifying that, at the time the Proponent submitted the Proposal (the Submission Date), the Proponent continuously held the requisite amount of Company shares to satisfy at least one of the Ownership Requirements above;"; and

- that any response had to be postmarked or transmitted electronically no later than 14 calendar days from the date the Proponent received the Deficiency Notice.

The Company sent the Deficiency Notice to the Proponent and the Proponent's representative via email and via UPS overnight delivery on August 22, 2022, which was within 14 calendar days of the Company's receipt of the Proposal. *See* Exhibit E. Overnight delivery service records from United Parcel Service confirm delivery of a physical copy of the Deficiency Notice to the Proponent on August 23, 2022. *See* Exhibit F. On August 22, 2022, the Proponent's representative emailed the Company's outside counsel, stating that the Company's August 15, 2022 email "acknowledged evidence of ownership." *See* Exhibit G. However, as discussed above, the Company's August 15, 2022 email only provided prompt confirmation that the Company received the Broker Letter; it did not comment on its content. *See* Exhibit D. As of the date of this letter, the Company has not received any further correspondence or evidentiary proof from the Proponent.

B. Analysis

Rule 14a-8(b)(1) provides, in part, that to be eligible to submit a proposal for an annual meeting that is scheduled to be held on or after January 1, 2023,[2] a stockholder proponent must satisfy one of the Ownership Requirements by having continuously held either:

(A) at least $2,000 in market value of the Company's securities entitled to vote on the proposal for at least three years (the "Three-Year Ownership Requirement");
(B) at least $15,000 in market value of the Company's securities entitled to vote on the proposal for at least two years (the "Two-Year Ownership Requirement"); or
(C) at least $25,000 in market value of the Company's shares entitled to vote on the proposal for at least one year (the "One-Year Ownership Requirement").

The Broker Letter—which verified continuous ownership of $2,137.00 in market value of the Company's shares for a period of two years and 363 days preceding and including the Submission Date—failed to satisfy any of the Ownership Requirements. Specifically, holding $2,137.00 in market value of the Company's shares for a period of two years and 363 days preceding and including the Submission Date fails to satisfy the holding period in the Three-Year Ownership Requirement and fails to satisfy the requisite amount in either the Two-Year Ownership Requirement or the One-Year Ownership Requirement.

SLB 14 specifies that when the stockholder is not the registered holder, the stockholder "is responsible for proving his or her eligibility to submit a proposal to the company," which the stockholder may do by one of the two ways provided in Rule 14a-8(b)(2). Further, the Staff has clarified that these proof of ownership letters must come from the "record" holder of the Proponent's stock, and that only Depository Trust Company ("DTC") participants are viewed as record holders of securities that are deposited at DTC. *See* SLB 14F. 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 the Ownership Requirements of Rule 14a-8(b), provided that the company timely notifies the proponent of the problem and the proponent fails to correct the deficiency within the required time. Rule 14a-8(f)(1) is extremely clear with respect to the

[2] Rule 14a-8(b)(1)(i)(D) provided a transition period for stockholders who met Rule 14a-8(b)'s prior $2,000 threshold/one-year minimum holding period. As set forth in Rule 14a-8(b)(3), the transition period expires on January 1, 2023. Exchange Act Release No. 89964 (Sep. 23, 2020) further clarifies that the transition period extends only to annual or special meetings held prior to January 1, 2023, and therefore it does not apply for the Company's 2023 Annual Meeting.

deadline for correcting the deficiency and includes, in pertinent part, the following language (emphasis added):

> 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.*

Here, as established above, the Company satisfied its obligation under Rule 14a-8 by transmitting to the Proponent in a timely manner the Deficiency Notice, which specifically sets forth the information and instructions listed above and attached copies of Rule 14a-8, SLB 14F, and SLB 14L. *See* Exhibit E. However, despite the clear explanation in the Deficiency Notice that the Proponent had to provide the requisite documentary support within the time period specified and as required by Rule 14a-8(f)(1), the Proponent failed to do so. As such, the Proposal may be excluded.

Under well-established precedent, the Broker Letter was insufficient because it failed to satisfy any of the Ownership Requirements set forth under Rule 14a-8(b)(1) and described in the Deficiency Notice. In *Cheniere Energy, Inc.* (avail. Apr. 7, 2022), the company received a broker letter verifying ownership by the proponent of shares of company common stock as of the date the letter was sent (August 3, 2021). However, the broker letter was silent regarding the proponent's continuous ownership for the applicable period in connection with the submission of the proposal, and also silent regarding the proponent's ownership on the date the Proposal was sent to the company (July 13, 2021), which the company clearly identified in its deficiency notice that was sent to the proponent 14 days after company received the proposal. The Staff concurred with the exclusion of the proposal under Rule 14a-8(f) because the proponent "did not comply with Rule 14a-8(b)(1)(i)" noting, "the proof of ownership . . . did not meet the requirements of Rule 14a-8(b)(1)(i) because it did not demonstrate ownership for the requisite period of time." *See also Amazon.com, Inc.* (avail. Apr. 2, 2021) (concurring with the exclusion of a proposal where the proponent's proof established continuous ownership of company securities for the 13 months preceding November 30, 2020, but the proponent submitted the proposal on December 17, 2020); *Exxon Mobil Corp.* (avail. Feb. 26, 2021) (concurring with the exclusion of a proposal where the proponent's proof established continuous ownership of company securities for the 12 months preceding November 30, 2020, but the proponent submitted the proposal on December 1, 2020); *United Parcel Service, Inc.* (avail. Jan. 28, 2016) (concurring with the exclusion of a proposal where the deficiency notice was sent to the proponent 14 days after the company received the proposal and the proponent's proof did not establish ownership for the entire one year period preceding the submission date); *Starbucks Corp.* (avail. Dec. 11, 2014) (concurring with the exclusion of a proposal where the proponent's

proof established continuous ownership of company securities for one year as of September 26, 2014, but the proponent submitted the proposal on September 24, 2014); *Mondelēz International, Inc.* (avail. Feb. 11, 2014) (concurring with the exclusion of a proposal where the proponent's proof established continuous ownership of company securities for one year as of November 27, 2013, but the proponent submitted the proposal on November 29, 2013); *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).

The Proponent failed to provide any documentary evidence satisfying any of the Ownership Requirements, either with the Proposal or in response to the Company's timely Deficiency Notice, and has therefore not demonstrated eligibility under Rule 14a-8 to submit the Proposal. The Staff has consistently concurred with the exclusion of stockholder proposals based on a proponent's failure to provide satisfactory evidence of eligibility under Rule 14a-8(b) and Rule 14a-8(f)(1). *See Exxon Mobil Corp.* (avail. Feb. 13, 2017) (concurring with the exclusion of a stockholder proposal under Rule 14a-8(b) and Rule 14a-8(f) and noting that "the proponent appears to have failed to supply, within 14 days of receipt of ExxonMobil's request, documentary support sufficiently evidencing that she satisfied the minimum ownership requirement for the one-year period required by rule 14a-8(b)"); *Cisco Systems, Inc.* (avail. Jul. 11, 2011) (same); *I.D. Systems, Inc.* (avail. Mar. 30, 2011) (same); *Amazon.com, Inc.* (avail. Mar. 29, 2011) (same); *Yahoo! Inc.* (avail. Mar. 24, 2011) (same); *Alcoa Inc.* (avail. Feb. 18, 2009) (same); *Qwest Communications International, Inc.* (avail. Feb. 28, 2008) (same); *Occidental Petroleum Corp.* (avail. Nov. 21, 2007) (same); *General Motors Corp*. (avail. Apr. 5, 2007) (same); *Yahoo! Inc.* (avail. Mar. 29, 2007) (same); *CSK Auto Corp.* (avail. Jan. 29, 2007) (same); *Motorola, Inc.* (avail. Jan. 10, 2005) (same); *Johnson & Johnson* (avail. Jan. 3, 2005) (same); *Agilent Technologies* (avail. Nov. 19, 2004) (same); *Intel Corp.* (avail. Jan. 29, 2004) (same); *Moody's Corp.* (avail. Mar. 7, 2002) (same).

While SLB 14L suggests that there may be situations where the Staff considers it appropriate for a company to provide a second deficiency notice, the language of SLB 14L indicates that this situation is limited to if and when a company "sen[ds] a deficiency notice prior to receiving the proponent's proof of ownership if such deficiency notice did not identify the specific defect(s)." SLB 14L. Here, the Company received the Broker Letter, evaluated it for defects and only *after* such evaluation, sent to the Proponent the Deficiency Notice—which clearly identified both (1) the specific defects in the Broker Letter and (2) the timing requirements to cure the defects identified in the Broker Letter—and thus the situation contemplated by SLB 14L in the preceding sentence does not apply. Therefore, the Company has complied with both the letter and spirit of the Staff's guidance in SLB 14L.

Accordingly, we ask that the Staff concur that the Company may exclude the Proposal under Rule 14a-8(b) and Rule 14a-8(f)(1).

II. The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because It Deals With Matters Relating To The Company's Ordinary Business Operations

A. Background On The Proposal

The Company already (i) maintains a political engagement and contribution policy setting forth principles concerning political contributions, lobbying activities and trade association memberships, including the framework for governance oversight of such activities, (ii) discloses the recipients and amounts of all direct Company political contributions, (iii) discloses the cost of membership in any trade association or other policy-based organization where the cost of membership exceeds $50,000 per calendar year, including the percentage of dues utilized by that organization for lobbying activities (as reported by such trade association), if applicable, and (iv) discloses on its website copies of its U.S. federal lobbying reports.[3]

In contrast, the Proposal is very broadly worded and does not focus on the Company's political activity, but instead asks the Company to require information from third parties regarding their political activity whenever those organizations seek a financial relationship with the Company. Specifically, the Proposal requests adoption of a blanket policy that any time "any trade association, social welfare organization, or other organization that engages in political activities" (a "covered organization") seeks "financial support from [the] Company," even if arising in a context totally unrelated to the organization's political activity, the Company must obtain such organization's agreement to report to the Company, at least annually, detailed disclosure of all of such organization's expenditures "for political activities" for public release on the Company's website (the "Proposal Policy").

The Proposal Policy lacks a connection to any political activity by the Company and would be triggered merely by an organization "seeking financial support" from the Company, regardless of whether the Company actually provides any financial support to the organization. Moreover, the Proposal Policy would apply regardless of whether the financial support sought is "for political activities" or for a different purpose entirely, and regardless of the amount of Company financial support requested or actually received. Finally, the Proposal Policy would require the Company to take action regardless of whether the organization seeking such financial support actually engages in "political activities." Since the Company is not in a position to know at the time a

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[3] Disclosure relating to the Company's political activity and trade memberships is available on the Company's website under "Policy Engagement and Political Activities," *available at* https://investor.walgreensbootsalliance.com/governance/default.aspx#policy.

request for financial support is made which requesting organizations engage in political activities, in order to comply with the Proposal Policy, the Company would be compelled to ask every organization seeking the Company's financial support to represent whether it engages in political activities and, if so, to then require such organization to provide the Company with disclosure relating to "the organization's expenditures for political activities" as described in the Proposal Policy.

Moreover, the Resolved clause's term, "financial support," which (unlike other aspects of the Proposal) is not defined, encompasses a broad range of ordinary course business dealings that the Company engages in day-to-day. The Proposal's Supporting Statement reinforces how broad this term is, referring repeatedly to concerns over any "spending" by the Company and any use that Company funds could ultimately be supporting. For example, "financial support" would include extending commercial credit or providing credits to a customer purchasing products or services from the Company in the ordinary course of the Company's business; the Company's selecting one vendor over another or providing favorable payment terms to a supplier in the ordinary course of the Company's business; partnering with other businesses (like the Company's partnership with VillageMD, pursuant to which the Company provides financial support in the form of equity investments and convertible debt financing); and even providing donations in kind, such as personal protective equipment. It also applies even when the Company *does not* enter into any arrangement and instead merely communicates with a covered organization about such arrangements, since the Proposal provides that the Proposal Policy would apply to any covered organization merely "seeking" financial support from the Company, whether or not such support is ultimately provided.

Thus, if implemented, the Proposal Policy would mandate that the Company disclose expenditures for political activities by third-party organizations in a manner that requires disclosures beyond those relating to the Company's direct or indirect political activity or corporate electoral spending. Rather, the Proposal seeks to use the Company as a tool to force the disclosure and publication of certain information regarding the political expenditure of third-party organizations, with respect to which the Proponent would not otherwise have access or recourse, under the guise that such disclosure may shed light on the Company's own values and political activity. The plain language of the Proposal thus does not focus on a significant policy issue. Instead, the Proposal Policy delves into the Company's day-to-day operations, such that the Proposal is excludable under Rule 14a-8(i)(7), discussed in greater detail below, as relating to the Company's ordinary business operations.

B. Background On Rule 14a-8(i)(7)

Rule 14a-8(i)(7) permits a company to omit from its proxy materials a stockholder proposal that relates to its "ordinary business operations." According to the Commission's release

accompanying the 1998 amendments to Rule 14a-8, the term "ordinary business" "refers to matters that are not necessarily 'ordinary' in the common meaning of the word," but instead the term "is rooted in the corporate law concept providing management with flexibility in directing certain core matters involving the company's business and operations." Exchange Act Release No. 40018 (May 21, 1998) (the "1998 Release"). In the 1998 Release, the Commission explained that the underlying policy of the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting." *Id.*

The 1998 Release further distinguishes proposals pertaining to ordinary business matters from those involving "significant social policy issues." 1998 Release (citing Exchange Act Release No. 12999 (Nov. 22, 1976)). While "proposals . . . focusing on sufficiently significant social policy issues (*e.g.*, significant discrimination matters) generally would not be considered excludable," the Staff has indicated that proposals relating to both ordinary business matters and significant social policy issues may be excludable in their entirety in reliance on Rule 14a-8(i)(7) if they do not "transcend the day-to-day business matters" discussed in the proposals. *Id.*

C. The Proposal Relates To The Company's Ordinary Business Operations

As discussed above, the language of the Proposal is incredibly broad and relates to a number of different ordinary business matters, none of which are appropriate for stockholder oversight. While stockholder proposals relating to general corporate political activity are typically not excludable under Rule 14a-8(i)(7), the policy requested by the Proposal is not focused on the Company's direct or indirect political activity. Simply because the Proposal mentions political activity does not mean that no-action relief under Rule 14a-8(i)(7) is precluded. *See, e.g.*, *Merck & Co., Inc.* (avail. Feb. 9, 2017) (concurring with the exclusion under Rule 14a-8(i)(7) of a proposal that requested a report on the company's assessment of the political activity resulting from its advertising and its exposure to risk resulting therefrom). As with the stockholder proposal in *Merck*, the Proposal is related to the Company's ordinary business operations, including customer and supplier relationships (and other business relationships) and policies regarding the terms and conditions under which the Company engages in any type of financial activity with third parties in the ordinary course of business.

As noted above, the Proposal asks the Company to adopt a policy that would be triggered when a covered organization seeks financial support (even as a customer or supplier) from the Company, even if such financial support is wholly unrelated to the political activities of the other entity or the Company. As a result, the Proposal implicates ordinary course decisions regarding the Company's supplier relationships and other business relationships, such as decisions to place orders with one vendor over another, to provide an advance against future purchases, or to agree

to a certain level of spending with a supplier. For example, in *Foot Locker, Inc.* (avail. Mar. 3, 2017), the proposal requested a report "outlin[ing] the steps that the company is taking, or can take, to monitor the use of subcontractors by the company's overseas apparel suppliers." The proposal specifically requested information relating to: "[t]he extent to which company codes of conduct are applied to apparel suppliers and sub-contractors"; "[p]rocess and procedures for monitoring compliance with corporate codes of conduct by apparel suppliers and sub-contractors"; and "[p]rocess and procedures that the company has in place for dealing with code non-compliance by apparel suppliers and sub-contractors." The company argued that the proposal sought to "influence the manner in which the [c]ompany monitors the conduct of its suppliers and their subcontractors" and that "[t]he extent to which a company applies and enforces its code of conduct on suppliers and their subcontractors" was an ordinary business matter. In concurring with exclusion, the Staff noted that "the proposal relates broadly to the manner in which the company monitors the conduct of its suppliers and their subcontractors." *See also The TJX Companies, Inc. (NorthStar Asset Management, Inc. Funded Pension Plan)* (avail. Apr. 9, 2021) (concurring with the exclusion of a proposal requesting a report "evaluating whether the company is supporting systemic racism through undetected supply chain prison labor" where the proposal's supporting statements requested, among other things, "metrics regarding the number of supplier audits completed by the [c]ompany or third party auditors that evaluated the extent to which prison labor is present in the supply chain" and an "[a]ssessment of the effectiveness of current company policies and practices in preventing the utilization of prison labor in the company's supply chain" and the company argued that the proposal was excludable as ordinary business because, among other reasons, it related to decisions regarding the company's suppliers and enforcement of its existing standards of supplier conduct); *The Home Depot, Inc.* (avail. Mar. 20, 2020) (concurring with the exclusion under Rule 14a-8(i)(7) of a proposal requesting a report on prison labor "summarizing the extent of known usage of prison labor in the company's supply chain"); *Walmart Inc.* (avail. Mar. 8, 2018) (concurring with the exclusion of a proposal seeking a report outlining the requirements suppliers must follow regarding engineering ownership and liability as relating to the company's ordinary business matters); *Kraft Foods Inc.* (avail. Feb. 23, 2012) (concurring with the exclusion of a proposal requesting a report detailing the ways the company would assess and mitigate water risk to its agricultural supply chain as "relat[ing] to decisions relating to supplier relationships"); *Alaska Air Group, Inc.* (avail. Mar. 8, 2010) (concurring with the exclusion of a proposal requesting a report discussing the maintenance and security standards used by the company's aircraft contract repair stations and the company's procedures for overseeing maintenance performed by the contract repair stations as "relat[ing] to . . . standards used by the company's vendors").

As in *Foot Locker*, the Proposal seeks to influence the manner in which the Company monitors and engages with its suppliers since, in order to implement the Proposal, the Company would need to review all of its business relationships, contracts and arrangements with every organization it deals with to determine which such organizations engage in political activity.

Moreover, the Company would have to apply the Proposal Policy to any such organization that merely *seeks* any type of financial support from the Company, even if the Company does not typically provide such forms of financial support or ultimately determines not to provide such financial support. These are precisely the kinds of day-to-day business decisions that the Commission determined were inappropriate when adopting Rule 14a-8(i)(7). As discussed below, and as was the case in *Foot Locker* and the other precedents discussed above, the fact that the Proposal may touch upon a significant policy issue is insufficient to preclude relief where the Proposal relates to the ordinary business matters of the Company's relationships with its suppliers.

Similarly, because the Proposal Policy would be triggered when a covered organization seeks financial support as a customer, the Proposal would apply to ordinary course business decisions involving the extension of commercial credit or providing financial incentives to customers. For example, the Company's pharmaceutical wholesale business in Germany extends credit to the pharmacies to whom it sells products. These and other discounts and extensions of credit serve as financial incentives for customers and are a form of "financial support" covered by the Proposal Policy. Per the Proposal Policy, the Company would be required to review all of its ordinary course business customers to which it has extended any type of financial support and seek information on whether they engage in any type of political activity. Decisions regarding the sales terms, prices, and incentives the Company wishes to offer its customers are a fundamental responsibility of management. The Staff has consistently concurred with the exclusion under Rule 14a-8(i)(7) of proposals relating to a company's customer relations. *See, e.g.*, *Wells Fargo & Co. (Harrington Investments, Inc.)* (avail. Feb. 27, 2019) (concurring with the exclusion of a proposal requesting a report on options for amending the company's governance documents to enhance fiduciary oversight of matters relating to customer service and satisfaction as "relate[d] to decisions concerning the [c]ompany's customer relations"); *Bank of America Corp.* (avail. Jan. 6, 2010) (concurring with the exclusion of a proposal requiring the company to stop accepting matricula consular cards as a form of identification, which effectively sought "to limit the banking services the [company could] provide to individuals the [p]roponent believe[d] [we]re illegal immigrants," because the proposal sought to control the company's "customer relations or the sale of particular services"); *The Coca-Cola Co.* (avail. Jan. 21, 2009, *recon. denied* Apr. 21, 2009) (concurring with the exclusion of a proposal concerned about the "company's reputation with consumers" and seeking a report evaluating new or expanded policy options to further enhance transparency of information to consumers of company product as "relating to [the company's] ordinary business operations (*i.e.*, marketing and consumer relations)"); *Wells Fargo & Co.* (avail. Feb. 16, 2006) (concurring with the exclusion of a proposal requesting that the company not provide its services to payday lenders as concerning "customer relations"). As in the above-cited precedents, the Proposal is excludable as relating to the Company's customer relations since the Proposal Policy would be triggered by countless

ordinary course decisions and transactions involving covered organizations that receive financial support from the Company in the form of customer discounts, credit or other financial incentives.

Moreover, the Company's ability to manage potential business relationships with third parties seeking financial support from the Company is fundamental to the role of management. As a result, the Staff has consistently concurred with the exclusion of proposals that relate to a company's business relationships and day-to-day financial operations. *See, e.g.*, *Rogers Corp.* (avail. Jan. 18, 1991) (concurring with the exclusion of a proposal under the predecessor to Rule 14a-8(i)(7) and noting that the "day-to-day financial operations" of the company constituted ordinary business matters where the proposal asked the company's board of directors to adopt certain financial performance standards). Further, the Staff has recognized that financing and credit decisions are particularly complex business operations that stockholders are not in a position to make an informed judgment about. For example, when agreeing with exclusion of a proposal under the predecessor to Rule 14a-8(i)(7) in *BankAmerica Corp.* (avail. Feb. 18, 1977), the Staff noted that "the procedures applicable to the making of particular categories of loans, the factors to be taken into account by lending officers in making such loans, and the terms and conditions to be included in certain loan agreements are matters directly related to the conduct of one of the [c]ompany's principal businesses and part of its everyday business operations." *See also Mirage Resorts, Inc.* (avail. Feb. 18, 1997) (concurring with the exclusion of a proposal relating to business relationships and extensions of credit); *BankAmerica Corp.* (avail. Mar. 23, 1992) (concurring with the exclusion of a proposal dealing with the extension of credit and decisions and policies regarding the extension of credit). Here, the Proposal does just that: it targets the Company's relationships with certain organizations that seek financial support from the Company through adoption of a blanket policy that would be triggered in each such instance, whenever the requesting organization also engages in political activity. In this regard, strategic decisions concerning its business relationships, including to whom it offers financial support and on what terms, is a routine part of the Company's ordinary business operations. For example, the Proposal provides that the Company would be required to compel disclosure of any expenditures for political activities made by organizations with whom the Company partners for other business purposes, like VillageMD, with whom the Company partners and provides financial support in order to offer co-located, physician-led primary care clinics. Decisions regarding financial support and related arrangements are made by the Company on a daily basis. These critical day-to-day business decisions should be reserved to management and not with stockholders who would not be in a position to make an informed judgment on such matters.

D. The Proposal Does Not Focus On A Significant Policy Issue That Transcends The Company's Ordinary Business Operations

As noted above, the Proposal is overbroad and requires disclosures beyond those relating to the Company's direct or indirect political activity or corporate electoral spending, and thus, the

Proposal does not focus on any issue "with a broad societal impact" such that it transcends ordinary business matters. *See* Staff Legal Bulletin 14L (Nov. 3, 2021) ("SLB 14L").

The Staff has consistently concurred with the exclusion under Rule 14a-8(i)(7) of proposals that reference political activity when the proposal, like the Proposal here, does not relate to the company's general political activity but focuses instead on other ordinary business matters. Notably, the Staff has concurred with the exclusion of proposals that related to political activity by third parties resulting from a company's ordinary business activity. *See Merck*; *Bristol-Myers Squibb Co.* (avail. Jan. 26, 2017) (same). In each case, although the proposal would have involved disclosure by the company relating to third-party political activity resulting from the company's own advertising, the proposal was not viewed by the Staff as concerning general political activities. In *Merck*, the company argued that the proposal related instead to the manner in which the company markets, promotes and advertises its products, which is fundamental to the running of the company's ordinary business. The company also argued that the proposal's "use of loose and unconvincing rhetoric to bring in the concept of general corporate political spending and activity is not enough to implicate a significant policy issue" where the thrust and focus of the proposal was addressing ordinary business considerations, and the Staff concurred that relief was appropriate. Similarly, here the Company is being asked to adopt a policy that would affect how the Company engages with any covered organization seeking some form of financial support, and eventually would result only in publication by the Company of disclosure generated by third parties and relating to such third party's political spending. The only nexus to the Company that the Proposal provides is the loose requirement that such third-party organization has sought some kind of financial support from the Company (even if it resulted in no actual support from the Company, such support was *de minimis*, or the nature of the financial support and the organization's relationship with the Company is entirely unrelated to political activity). In this regard, the Proposal Policy is even more disconnected from the Company's political activities than the proposal in *Merck* and *Bristol-Myers*, since the Proposal Policy would be triggered even when the Company has not engaged in the underlying activity (*i.e.*, even where no "financial support" is provided); whereas in *Merck* and *Bristol-Myers* the disclosure sought was tied to the company's advertising practices. Therefore, as in *Merck* and *Bristol-Myers*, the Proposal Policy at issue does not focus on general political activities and the Proposal is also properly excludable as relating to the Company's ordinary business operations.

Additionally, consistent with the 1998 Release, the Staff routinely concurs with the exclusion of proposals that touch upon a significant policy issue but also encompass topics that relate to ordinary business operations and are not significant policy issues, as is the case here. Notably, in *PetSmart, Inc.* (avail. Mar. 24, 2011), the proposal requested the board to require its suppliers to certify that they had not violated "the Animal Welfare Act, the Lacey Act, or any state law equivalents." The Staff concurred with exclusion, noting that "[a]lthough the humane treatment of animals is a significant policy issue, we note your view that the scope of the laws covered by

the proposal is 'fairly broad in nature from serious violations such as animal abuse to violations of administrative matters such as record keeping.'" *See also Amazon.com, Inc. (Domini Impact Equity Fund)* (avail. Mar. 28, 2019) (concurring with the exclusion of a proposal that requested that the board annually report to shareholders "its analysis of the community impacts of [the company's] operations, considering near- and long-term local economic and social outcomes, including risks, and the mitigation of those risks, and opportunities arising from its presence in communities," noting that "the [p]roposal relates generally to 'the community impacts' of the [c]ompany's operations and does not appear to focus on an issue that transcends ordinary business matters"); *Foot Locker, Inc.* (concurring with the exclusion of a proposal entitled "Supplier Labor Standards" that took issue with violations of human rights in overseas operations, child labor and "sweatshop" conditions, even where two out of four recitals addressed human rights in the company's supply chain); *JPMorgan Chase & Co.* (avail. Mar. 9, 2015) (concurring with the exclusion of a proposal requesting the company amend its human rights-related policies "to address the right to take part in one's own government free from retribution" because the proposal related to "[the company's] policies concerning its employees"); *Papa John's International, Inc.* (avail. Feb. 13, 2015) (concurring with the exclusion of a proposal requesting that the company include more vegan offerings in its restaurants, despite the proponent's assertion that the proposal would promote animal welfare—a significant policy issue); *Mattel, Inc.* (avail. Feb. 10, 2012) (concurring with the exclusion of a proposal that requested the company require its suppliers publish a report detailing their compliance with the International Council of Toy Industries Code of Business Practices, noting that the ICTI encompasses "several topics that relate to . . . ordinary business operations and are not significant policy issues"); *Apache Corp.* (avail. Mar. 5, 2008) (concurring with the exclusion of a proposal under Rule 14a-8(i)(7), stating "in particular that some of the principles [referenced in the proposal] relate to [the company's] ordinary business operations"); *Union Pacific Corp.* (avail. Feb. 25, 2008) (concurring with the exclusion of a proposal requesting disclosure of the company's efforts to safeguard the company's operations from terrorist attacks and other homeland security incidents when the company argued that the proposal was excludable because it related to securing the company's operations from both extraordinary incidents (such as terrorism) and ordinary incidents (such as earthquakes, floods, and counterfeit merchandise)).

Here, as demonstrated above, the Proposal would apply to *any* covered organization "seeking financial support" from the Company, and therefore broadly focuses on a significant number of day-to-day business relationships, including supplier relationships and decisions involving the extension of commercial credit or providing financial incentives to customers. Further, despite mention in the Supporting Statement of a congruency analysis between the Company's stated

values and its own expenditures, the Proposal itself simply does not request such an analysis.[4] Instead, consistent with *Merck* and the other precedents cited above, the Proposal does not focus on the Company's general political activity and is properly excludable.

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

As explained above, the Commission stated in the 1998 Release that one of the considerations underlying the ordinary business exclusion is "the degree to which the proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." The 1998 Release further states that "[t]his consideration may come into play in a number of circumstances, such as where the proposal involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies." In addition, SLB 14L clarified that in considering arguments for exclusion based on micromanagement, the Staff noted that "the staff will take a measured approach to evaluating companies' micromanagement arguments – recognizing that proposals seeking detail or seeking to promote timeframes or methods do not per se constitute micromanagement. Instead, [the Commission] will focus on the level of granularity sought in the proposal and whether and to what extent it inappropriately limits discretion of the board or management." SLB 14L.

Here, the Proposal inappropriately limits the discretion of management in an extensive and granular way, infringing on its ability to manage complex commercial relationships with customers, suppliers and others with the level of flexibility necessary to fulfill their fiduciary duties to stockholders. Specifically, the Proposal seeks to address concerns over the Company's political activity by imposing a broad information-gathering and publication system that requires information on political activity spending by every covered organization and individual that seeks any type of financial support from the Company. As demonstrated above, the Proposal would apply to *any covered organization seeking financial support*, regardless of whether the Company actually provides financial support to the requesting entity, regardless of whether any support was intended for political purposes, and unrelated to the magnitude or nature of the Company's financial relationship with the requesting organization. In this regard, the Company, including its executive officers, is routinely solicited by various trade associations, social welfare organizations and other organizations, including by mass mailing and cold calls, seeking donations, soliciting membership, and requesting other kinds of financial support, many of which the Company does not respond to or engage with. The Proposal would require that, as a

[4] *See The Procter & Gamble Co.* (avail. Aug. 6, 2014) (unable to concur with exclusion of a proposal requesting that the board annually report to shareholders a congruency analysis between the company's corporate values and the company's and the P&G Good Government Fund's political and electioneering contributions).

condition to any discussions with these organizations, the Company inquire whether they engage in political activities, and, if so, demand information from such organizations and further require that such organizations agree to provide such information and agree to its publication on the Company's website. As such, the Proposal seeks to dictate a single process that the Company would need to apply across the Company's global enterprise.

The Staff has consistently concurred with the exclusion of proposals based on micromanagement where the proposal prescribes a particular policy or method for addressing a complex matter. For example, in *Texas Pacific Land Corp. (Special Opportunities Fund, Inc.)* (avail. Sep. 28, 2021, *recon. granted* Oct. 5, 2021) the Staff granted exclusion of a proposal that would have required that the company "establish a goal of achieving a 95% profit margin." Though no Staff response letter was issued, the company argued that "the profit margin strategy of the [c]ompany" was a "matter fundamental to management's choices relevant to its revenues and expenditures in the context of the broader strategy of the [c]ompany," and that the proposal, by "mandating a very specific strategic goal," that was not informed by a "deep understanding of the [c]ompany's operations, growth opportunities and the industry as a whole" would "circumvent[] management's expertise and fiduciary duties," ultimately micromanaging the company. Further, in *Amazon.com, Inc.(AFL-CIO Reserve Fund)* (avail. Apr. 9, 2021) ("*Amazon 2021*"), the proposal requested "a policy for improving workforce diversity by requiring that the initial pool of candidates from which new employees are hired by the [c]ompany shall include [. . .] qualified women and minority candidates." The company argued that the proposal dictated a single process that the company would need to apply to every position it seeks to fill across its global enterprise, without regard to alternative methods or the company's existing workforce and hiring practices. By doing so, the company submitted that the proposal micromanaged the company by attempting to mandate a single approach for a complex matter without affording management necessary flexibility or discretion, and the Staff concurred. Similarly, in *Intel Corp.* (avail. Mar. 15, 2019), the Staff concurred with the exclusion of a proposal under Rule 14a-8(i)(7) based on micromanagement where the proposal requested that the company include a specific policy statement— that "Intel affirms and believes all that the Pride flag and Gay Pride movement it is associated with represent or assert to be right and true"—in its Global Human Rights Principles, as well as certain company websites and communications. There, the company argued the proposal attempted to micromanage the company by dictating both a specific policy position on a complex matter and how the company communicated that position. The Staff concurred with the exclusion of the proposal as relating to the company's ordinary business operations, as, in its view, "the [p]roposal [sought] to micromanage the [c]ompany by dictating that the [c]ompany must adopt a specific policy position and prescribing how the [c]ompany must communicate that policy position." *See also CBRE Group, Inc.* (avail. Feb. 14, 2020) (concurring with the exclusion of a proposal under Rule 14a-8(i)(7) based on micromanagement where the proposal requested a company policy to "take the necessary steps to waive its mandatory arbitration requirements for employee claims of sexual harassment unless

the [b]oard of [d]irectors concludes, after an evaluation using independent evidence, that mandatory arbitration does not deter reporting of sexual harassment by [c]ompany employees," where the company argued that the proposal sought to micromanage the company by dictating the company's "approach to its complex employment and risk management practices").

As in the above-cited precedents, the Proposal micromanages the Company's fundamental day-to-day decisions and policies with respect to how it manages complex commercial relationships with customers, suppliers and others by imposing a broad information-gathering and publication system that requires information on political activity spending by every covered organization and individual that seeks any type of financial support from the Company, and further requiring the Company to obtain such organization's agreement to report to the Company, at least annually, detailed disclosure by such organization of all of its expenditures for political activities for public release on the Company's website. Just as the Staff in *Texas Pacific Land* and *Amazon 2021* concurred with the exclusion of a proposal that prescribed a specific and granular process for addressing complex hiring decisions, here too the Proposal is excludable as mandating a specific policy and process without regard for the complexity of the matters involved. When a proposal prescribes specific actions that the company's management or the board must undertake without affording them sufficient flexibility or discretion in addressing the complex matter presented by the proposal, as the Proposal does here, it may be properly excluded under Rule 14a-8(i)(7).

III. The Proposal May Be Excluded Under Rule 14a-8(i)(6) Because The Company Lacks The Power Or Authority To Implement The Proposal In The Manner That The Proposal Requests

Rule 14a-8(i)(6) permits a company to exclude a stockholder proposal "[i]f the company would lack the power or authority to implement the proposal." Notably, the Commission has stated that exclusion under Rule 14a-8(i)(6) "may be justified where *implementing the proposal would require intervening actions by independent third parties*." Exchange Act Release No. 40018 at n.20 (May 21, 1998) (emphasis added).

The Proposal requests that the Company "adopt a policy requiring that any trade association, social welfare organization, or other organization that engages in political activities seeking financial support from [the] Company agree to report to [the Company], at least annually, the organization's expenditures for political activities," which the Company would then be required to post publicly on its website.

Clearly, the Proposal Policy requires and depends upon action by independent third parties (*i.e.*, organizations agreeing to provide details pertaining to their political expenditures and agreeing that the Company may publicly post such reports), and it is not within the Company's power or authority to guarantee that "any" such organizations would comply with such a policy or request

by the Company. Because the broadly worded Proposal would trigger the requested policy any time a covered organization seeks financial support from the Company, and also applies to any kind of financial support the Company provides, the Company's dependence on those third parties renders the Proposal Policy impossible to enforce. Said differently, the Company cannot compel third parties, which the Company has no control over, to provide the Company with potentially confidential and proprietary information related to such third parties' political expenditures. Moreover, because the Proposal Policy broadly applies to organizations that merely *seek* financial support from the Company, the Company would be asked to both request and then compel disclosure from third parties to whom it may choose not to contribute, and with whom it may not have any relationship whatsoever, as the Company does not provide financial support to every organization that requests a contribution. In addition, the Proposal Policy would apply even to organizations with whom the Company has a relationship that is unrelated to the Company's political activity (and where the Company's form of financial support is not political in nature). For example, if the Company provides financial support to a community organization or customer, the Proposal would require the Company to condition such support on detailed political expenditure reports by such third party. The foregoing is not only impractical and inappropriate, but also beyond the Company's power to enforce. The Proposal, therefore, involves the very kind of situation envisioned by the Commission when it stated that exclusion would be appropriate, since implementing the Proposal Policy would require intervening actions by independent third parties.

The Staff has consistently concurred with the exclusion of proposals where it was not within the power of a company to guarantee compliance with the terms requested by the proposal. For example, in *The Goldman Sachs Group, Inc.* (avail Jan. 28, 2015) ("*Goldman 2015*"), a stockholder proposal requested that the company adopt a policy that its chairman be an independent director. The company argued that the proposal did not provide an opportunity or mechanism to cure a situation where the chairman failed to maintain his or her independence, and that it could not guarantee that an independent director would "(1) be elected to the [b]oard by the [c]ompany's shareholders, (2) be elected as Chairman by the members of the board, (3) be willing to serve as Chairman, and (4) remain independent at all times while serving as Chairman." The Staff concurred with exclusion pursuant to Rule 14a-8(i)(6), noting that "it appears that the proposal is beyond the power of the board to implement" because "it does not appear to be within the power of the board of directors to ensure that its chairman retains his or her independence at all times." *See also The Goldman Sachs Group, Inc.* (avail. Mar. 25, 2010) (concurring with the exclusion of a proposal under Rule 14a-8(i)(6) because it did not "appear to be within the power of the board of directors to ensure that each member of the compensation committee meets the requested criteria at all times"); *Allegheny Technologies Incorporated* (avail. Mar. 1, 2010) (same); *Time Warner, Inc.* (avail. Feb. 22, 20210) (same); *Honeywell International Inc.* (avail. Feb. 18, 2010) (same). As in *Goldman 2015*, where the Staff concurred with exclusion of a proposal because the company could not ensure compliance with the terms of

the requested policy (*i.e.*, that the chairman would always be independent), the Company likewise lacks the power to implement the Proposal because the Company cannot guarantee compliance with the Proposal Policy. The Proposal, therefore, is excludable pursuant to Rule 14a-8(i)(6).

The Staff has also concurred with the exclusion of proposals requiring action by an entity over which the company to whom the proposal was submitted has no control. For example, in *eBay Inc.* (avail. Mar. 26, 2008), the Staff concurred that a proposal requesting that the company enact a policy prohibiting the sale of dogs and cats on the website of a joint venture owned by a wholly owned subsidiary of the company and TOM Online Inc. (an independent online portal and wireless internet company headquartered in China), in which the company had no role in day-to-day operations and over which it had no operating control, was excludable pursuant to Rule 14a-8(i)(6). The company argued that because of the nature of its joint venture-relationship, it lacked the power or authority to take the action that would be required by the proposal, and the Staff concurred that relief was merited. Similarly, the Staff concurred with exclusion of a proposal in *Beckman Coulter, Inc.* (avail. Dec. 23, 2008) requesting that the company implement a set of executive compensation reforms at The Bank of New York Mellon, an unaffiliated bank which served as a trustee for the company under an indenture agreement. The company argued that it was impossible for it to implement the reforms requested by the proposal because it did "not directly or indirectly control" the bank nor did it "have any direct or indirect interest" in the bank. The company further argued that while the bank served as a trustee for the company under an indenture, "this contractual relationship [did] not give the [c]ompany the power or the authority to implement or influence the executive compensation reforms raised in the [p]roposal," and the Staff concurred that relief was merited pursuant to Rule 14a-8(i)(6). *See also Catellus Development Corp.* (avail. Mar. 3, 2005) (concurring with the exclusion under Rule 14a-8(i)(6) of a proposal requesting that the company take certain actions related to property it managed but no longer owned); *Ford Motor Co.* (avail. Mar. 9, 1990) (concurring with the exclusion of a proposal under the predecessor to Rule 14a-8(i)(6) because the proposal "relate[d] to the activities of companies other than the [c]ompany [to whom the proposal was submitted] and over whom the [c]ompany ha[d] no control"); *Harsco Corp.* (avail. Feb. 16, 1988) (concurring with the exclusion under the predecessor to Rule 14a-8(i)(6) of a proposal requesting that the board of directors sign and implement a statement of principles relating to employment in South Africa where the company's only involvement with employees in South Africa was its ownership of 50% of the stock of a South African entity, and the owner of the remaining 50% interest had the right to appoint the entity's chairman, who was empowered to cast the deciding vote in the event of a tie).

Similar to *eBay* and *Beckman Coulter*, the Company does not have the power or authority to unilaterally compel political expenditure disclosure from third-party organizations as required by the Proposal Policy, let alone annually or with the level of detail prescribed. The Company does

not have control of third-party organizations that seek its financial support and is not involved in their day-to-day operations. Furthermore, the relationship between the Company and third-party organizations seeking its financial support appears to be even more attenuated than the relationships found in *eBay* and *Beckman Coulter*. Because the proposal covers *any* covered organization seeking financial support from the Company, there would not necessarily exist contractual agreements of any sort between the entities such as the joint venture in *eBay* or the indenture in *Beckman Coulter*. In fact, where the Company's financial support is solicited but not reciprocated, the Company may not have any business relationship with the third-party organization. Any such disclosure would have to be voluntarily produced by the organizations seeking financial support.

Additionally, the decision to publicly report on the information requested by the Proposal is a matter under the purview of the organizations seeking financial support from the Company, not the Company itself. The Company has no power to direct or mandate that organizations seeking financial support agree, simply as a condition of their request for financial support (which may be completely unsolicited by the Company), to provide annual disclosures to the Company that will subsequently be publicly disclosed by the Company. Similar to *eBay*, although the Company could theoretically adopt the Proposal Policy, as eBay could theoretically have adopted a policy prohibiting the sale of dogs and cats on the website of a joint venture, both companies lack the power to enforce the requested policy, so adoption alone would be meaningless.

Accordingly, for the reasons set forth above and consistent with the aforementioned precedents, the Proposal is excludable under Rule 14a-8(i)(6) because the Company lacks the power or authority to implement the Proposal.

CONCLUSION

Based upon the foregoing analysis, the Company intends to exclude the Proposal from its 2023 Proxy Materials, and we respectfully request that the Staff concur that the Proposal may be excluded under Rule 14a-8.

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.

Sincerely,

Elizabeth A. Ising

Enclosures

cc: Joseph B. Amsbary, Jr., Walgreens Boots Alliance, Inc.
Paul R. Ingram, Walgreens Boots Alliance, Inc.
Cherita Thomas, Walgreens Boots Alliance, Inc.
Myra K. Young
James McRitchie
John Chevedden

EXHIBIT A

From: mky [redacted]
Sent: Monday, August 8, 2022 4:18:11 PM
To: WBAboard [redacted]
Cc: Thomas, Cherita [redacted]; Ingram, Paul [redacted]; Amsbary jr, Joseph [redacted]; John Chevedden [redacted]; James McRitchie [redacted]
Subject: (WBA) PD proxy proposal submission

Dear Corporate Secretary

Please find and acknowledge via email receipt of this email and the attached shareholder proposal on enhanced political disclosure. I look forward to negotiating a withdrawal if a mutually acceptable agreement can be reached. Please note the attached delegations of authority to my husband James McRitchie and to John Chevedden.

MK Young, Shareholder Advocate
CorpGov.net

Corporate Governance

CorpGov.net: improving accountability through democratic corporate governance since 1995

Myra K. Young • [redacted]

Walgreens Boots Alliance, Inc.
108 Wilmot Road, MS #1858
Deerfield, Illinois 60015
Attention: Corporate Secretary
(847) 315-3700
c/o Board via [redacted]
cc: [redacted]

Dear Corporate Secretary,

I am submitting the attached shareholder proposal, which I support, requesting enhanced ***political disclosure***.

I will meet Rule 14a-8 requirements, including the continuous ownership of the required stock value until after the date of the respective shareholder meeting. I have owned the stock continuously since before January 4, 2020. My submitted format, with the shareholder-supplied emphasis, is intended to be used for definitive proxy publication.

This letter confirms that I am delegating John Chevedden to act as my agent regarding this Rule 14a-8 proposal, including presentation at the forthcoming shareholder meeting. That delegation does not apply to submission, negotiations, or modification, which will require my approval or that of my husband, James McRitchie. Please direct future communications regarding my rule 14a-8 proposal to John Chevedden ([redacted]) at: [redacted] to facilitate prompt communication.

I am available to meet with the Company via teleconference on August 26 at 11:00AM or 11:30AM Pacific time.

Your consideration and that of the Board of Directors is appreciated in support of the long-term performance of our company. You can avoid the time and expense of filing a deficiency letter to verify ownership by simply acknowledging receipt of my proposal promptly by email to [redacted]. That will prompt us to request the required letter.

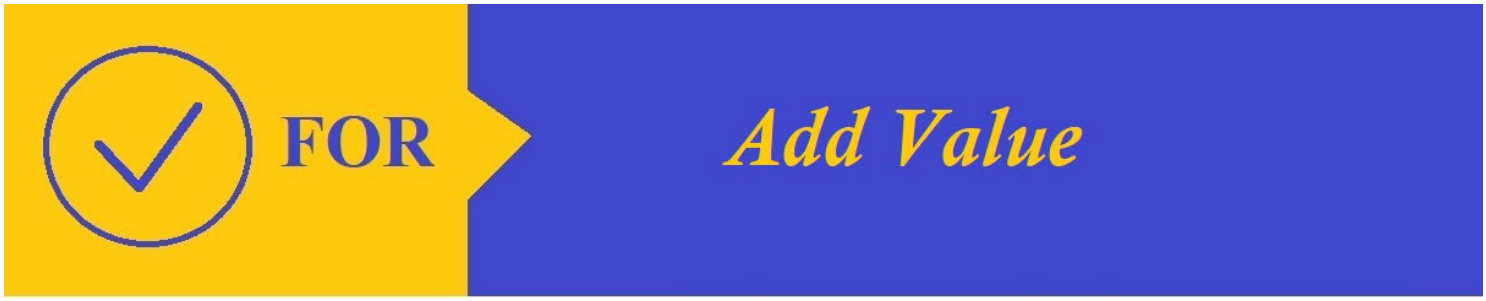
Sincerely,

Myra K. Young — August 8, 2022

Myra K. Young — Date

CorpGov.net

[WBA – Rule 14a-8 Proposal, August 8, 2022]
[This line and any line above it – Not for publication.]
Proposal [4*] - Political Disclosures



Resolved: Shareholders of Walgreens Boots Alliance, Inc ("WBA" or "Company") request WBA adopt a policy requiring that any trade association, social welfare organization, or other organization that engages in political activities seeking financial support from Company agree to report to WBA, at least annually, the organization's expenditures for political activities, including amounts spent and recipients, and that each such report be posted on WBA's website. For purposes of this proposal, "political activities" are:

(i) influencing or attempting to influence the selection, nomination, election, or appointment of any individual to a public office; or
(ii) supporting a party, committee, association, fund, or other organization organized and operated primarily for the purpose of directly or indirectly accepting contributions or making expenditures to engage in the activities described in (i).

This proposal does not encompass lobbying spending.

Supporting Statement: As long-term Company shareholders, we support transparency and accountability in corporate electoral spending, including indirect political spending, the subject of this proposal. Misaligned or non-transparent funding creates reputational risk and harms shareholder value. It can also place a company in legal jeopardy. Unless a company knows which candidates and political causes its funds ultimately support, it cannot assure shareholders, employees, or other stakeholders that its spending aligns with core values, business objectives, and policy positions. Without the information requested by this resolution, none of the board, senior management, or shareowners can assess the risks associated with political spending.

Risks are especially serious when giving to trade associations, Super PACs, 527 committees, and "social welfare" organizations – groups that routinely pass money to or spend on behalf of candidates and political causes that a company might not otherwise wish to support. The Conference Board's 2021 "Under a Microscope" report[1] details these risks, discusses how to manage them effectively, and recommends the process suggested in this proposal.

Media coverage amplifies the risk a company's blind spending can pose. Company spending has been tied to attacks on voting rights and efforts to deny climate change – associations many companies wish to avoid. Contributions to third-party groups can also embroil companies in scandal. For instance, FirstEnergy Corp was tainted when it contributed to a political advocacy organization that later pled

[1] https://www.conference-board.org/publications/Under-a-Microscope-ES

guilty to the state's largest bribery scheme. FirstEnergy's stock price dropped, and the scandal led to the resignation of several top officers.

Public records show WBA contributed at least $3.7 million in corporate funds to third-party groups since 2010. It is unclear whether WBA and its board received sufficient information from these groups to assess (a) the potential risks for the Company and stockholders, and (b) whether the groups' expenditures aligned with Company's core values, business objectives, and policy positions.

Mandating reports from third-party groups receiving Company political money would demonstrate the Company's commitment to robust risk management and responsible civic engagement.

We urge a vote FOR the commonsense risk management measures contained in Proposal [4*].

[This line and any below are not for publication]
Number 4* to be assigned by Company

The graphic above is intended to be published with the rule 14a-8 proposal. The graphic would be the same size as the largest management graphic (and accompanying bold or highlighted management text with a graphic) or any highlighted management executive summary used in conjunction with a management proposal or a rule 14a-8 shareholder proposal in the 2021 proxy.

The proponent is willing to discuss simultaneous elimination of both shareholder graphic and management graphic in the proxy in regard to specific proposals. However, such discussions should take place well in advance of filing form DEF 14A. Reference: SEC Staff Legal Bulletin No. 14I (CF)

> [16] Companies should not minimize or otherwise diminish the appearance of a shareholder's graphic. For example, if the company includes its own graphics in its proxy statement, it should give similar prominence to a shareholder's graphics. If a company's proxy statement appears in black and white, however, the shareholder proposal and accompanying graphics may also appear in black and white.

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

> 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(i)(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 to [redacted].

EXHIBIT B

From: mky [redacted]
Sent: Tuesday, August 9, 2022 1:40 PM
To: WBAboard [redacted]
Cc: Thomas, Cherita [redacted]; Ingram, Paul [redacted]; Amsbary jr, Joseph [redacted]; John Chevedden [redacted] James McRitchie [redacted]
Subject: (WBA) PD proxy proposal submission - revised delegat

Dear Corporate Secretary

Please find and acknowledge via email receipt of this email and the attached shareholder proposal on enhanced political disclosure. I look forward to negotiating a withdrawal if a mutually acceptable agreement can be reached. Please note the attached delegations of authority to my husband James McRitchie and to John Chevedden.

This letter slightly revises my previous delegation dated August 8, 2022, but does not change the proposal submitted on that date. Thank you Mr. Amsbary Jr. for acknowledging my submission. I have requested a broker letter evidencing ownership, so should be able to forward that shortly.

Best Wishes,

MK Young, Shareholder Advocate
CorpGov.net

Corporate Governance

CorpGov.net: improving accountability through democratic corporate governance since 1995

Myra K. Young • [redacted]

Walgreens Boots Alliance, Inc.
108 Wilmot Road, MS #1858
Deerfield, Illinois 60015
Attention: Corporate Secretary
(847) 315-3700
c/o Board via [redacted]
cc: [redacted]

Dear Corporate Secretary,

I am submitting the attached shareholder proposal, which I support, requesting enhanced ***political disclosure***. This letter slightly revises my delegation dated August 8, 2022, but does not change the proposal submitted on that date.

I will meet Rule 14a-8 requirements, including the continuous ownership of the required stock value until after the date of the respective shareholder meeting. I have owned the stock continuously since before January 4, 2020. My submitted format, with the shareholder-supplied emphasis, is intended to be used for definitive proxy publication.

This letter delegates John Chevedden and James McRitchie to act as my agents regarding this Rule 14a-8 proposal, including presentation at the forthcoming shareholder meeting. That delegation does not apply to submission or modification. Please direct future communications regarding my rule 14a-8 proposal to John Chevedden ([redacted] at: [redacted] to facilitate prompt communication.

I am available to meet with the Company via teleconference on August 26 at 11:00AM or 11:30AM Pacific time.

Your consideration and that of the Board of Directors is appreciated in support of the long-term performance of our company. You can avoid the time and expense of filing a deficiency letter to verify ownership by simply acknowledging receipt of my proposal promptly by email to [redacted] PII . That will prompt us to request the required letter.

Sincerely,

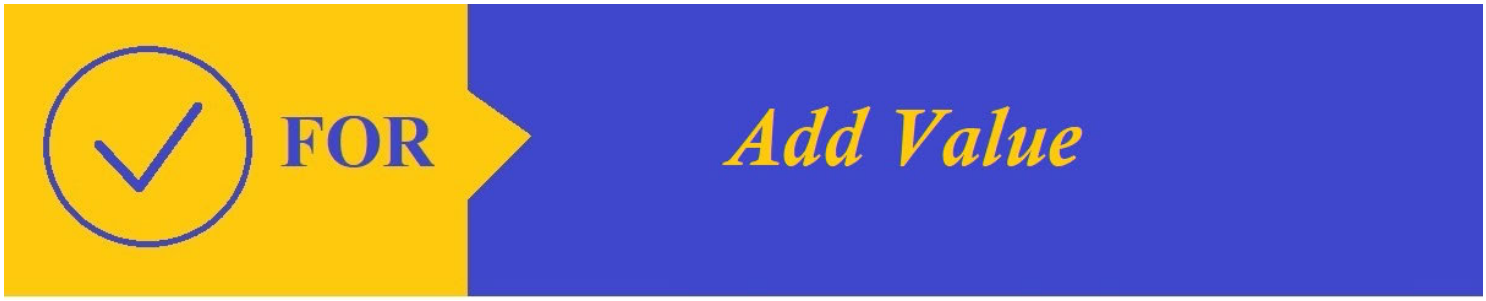
Myra K. Young

August 9, 2022

Myra K. Young — Date

CorpGov.net

[WBA – Rule 14a-8 Proposal, August 8, 2022]
[This line and any line above it – Not for publication.]
Proposal [4*] - Political Disclosures



Resolved: Shareholders of Walgreens Boots Alliance, Inc ("WBA" or "Company") request WBA adopt a policy requiring that any trade association, social welfare organization, or other organization that engages in political activities seeking financial support from Company agree to report to WBA, at least annually, the organization's expenditures for political activities, including amounts spent and recipients, and that each such report be posted on WBA's website. For purposes of this proposal, "political activities" are:

(i) influencing or attempting to influence the selection, nomination, election, or appointment of any individual to a public office; or
(ii) supporting a party, committee, association, fund, or other organization organized and operated primarily for the purpose of directly or indirectly accepting contributions or making expenditures to engage in the activities described in (i).

This proposal does not encompass lobbying spending.

Supporting Statement: As long-term Company shareholders, we support transparency and accountability in corporate electoral spending, including indirect political spending, the subject of this proposal. Misaligned or non-transparent funding creates reputational risk and harms shareholder value. It can also place a company in legal jeopardy. Unless a company knows which candidates and political causes its funds ultimately support, it cannot assure shareholders, employees, or other stakeholders that its spending aligns with core values, business objectives, and policy positions. Without the information requested by this resolution, none of the board, senior management, or shareowners can assess the risks associated with political spending.

Risks are especially serious when giving to trade associations, Super PACs, 527 committees, and "social welfare" organizations – groups that routinely pass money to or spend on behalf of candidates and political causes that a company might not otherwise wish to support. The Conference Board's 2021 "Under a Microscope" report[1] details these risks, discusses how to manage them effectively, and recommends the process suggested in this proposal.

Media coverage amplifies the risk a company's blind spending can pose. Company spending has been tied to attacks on voting rights and efforts to deny climate change – associations many companies wish to avoid. Contributions to third-party groups can also embroil companies in scandal. For instance, FirstEnergy Corp was tainted when it contributed to a political advocacy organization that later pled

[1] https://www.conference-board.org/publications/Under-a-Microscope-ES

guilty to the state's largest bribery scheme. FirstEnergy's stock price dropped, and the scandal led to the resignation of several top officers.

Public records show WBA contributed at least $3.7 million in corporate funds to third-party groups since 2010. It is unclear whether WBA and its board received sufficient information from these groups to assess (a) the potential risks for the Company and stockholders, and (b) whether the groups' expenditures aligned with Company's core values, business objectives, and policy positions.

Mandating reports from third-party groups receiving Company political money would demonstrate the Company's commitment to robust risk management and responsible civic engagement.

We urge a vote FOR the commonsense risk management measures contained in Proposal [4*].

[This line and any below are not for publication]
Number 4* to be assigned by Company

The graphic above is intended to be published with the rule 14a-8 proposal. The graphic would be the same size as the largest management graphic (and accompanying bold or highlighted management text with a graphic) or any highlighted management executive summary used in conjunction with a management proposal or a rule 14a-8 shareholder proposal in the 2021 proxy.

The proponent is willing to discuss simultaneous elimination of both shareholder graphic and management graphic in the proxy in regard to specific proposals. However, such discussions should take place well in advance of filing form DEF 14A. Reference: SEC Staff Legal Bulletin No. 14I (CF)

> [16] Companies should not minimize or otherwise diminish the appearance of a shareholder's graphic. For example, if the company includes its own graphics in its proxy statement, it should give similar prominence to a shareholder's graphics. If a company's proxy statement appears in black and white, however, the shareholder proposal and accompanying graphics may also appear in black and white.

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

> 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(i)(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 to [redacted].

EXHIBIT C

From: James McRitchie [redacted]
Sent: Monday, August 15, 2022 7:13 PM
To: Amsbary jr, Joseph
Cc: John Chevedden; Thomas, Cherita; Ingram, Paul
Subject: Re: (WBA) PD proxy proposal submission - revised delegat
Attachments: WBA BL Young.pdf

Please find and acknowledge receipt of the attached broker letter evidencing ownership required for submitting Myra Young's 8/8/2022 shareholder proposal.

James McRitchie
Shareholder Advocate
Corporate Governance
http://www.corpgov.net
[redacted]

[redacted]

> On Aug 9, 2022, at 12:30 PM, Amsbary jr, Joseph [redacted] wrote:
>
> Received, thank you. Please forward the broker letter to my attention.

TD Ameritrade

August 10, 2022

Myra K Young ROTH IRA
[redacted]

Re: Your TD Ameritrade account ending in [redacted]

Dear Myra Young,

Thank you for allowing me to assist you today. Pursuant to your request, this letter is to confirm that as of the date of this letter, Myra Young held and has held continuously for at least 36 months, 50 common shares of Walgreens Boots Alliance, Inc (WBA) in an account at TD Ameritrade. The DTC clearinghouse number for TD Ameritrade is 0188.

If we can be of any further assistance, please let us know. Just log in to your account and go to Client Services > Message Center to write us. You can also call Private Client Services at 800-400-4078. We're available 24 hours a day, seven days a week.

Sincerely,

Emily Watson

Emily Watson
Resource Specialist
TD Ameritrade

Distributed by TD Ameritrade, Inc., 200 South 108th Avenue, Omaha, NE 68154-2631.

TDA 1002212 02/21

EXHIBIT D

From: Amsbary jr, Joseph [redacted]
Sent: Monday, August 15, 2022 6:28 PM
To: James McRitchie [redacted]
Cc: John Chevedden [redacted]; Thomas, Cherita [redacted]; Ingram, Paul [redacted]
Subject: Re: (WBA) PD proxy proposal submission - revised delegat

Received, thank you.

Jake

From: James McRitchie [redacted]
Sent: Monday, August 15, 2022 6:12:44 PM
To: Amsbary jr, Joseph <jake.amsbary@wba.com>
Cc: John Chevedden [redacted]; Thomas, Cherita [redacted] Ingram, Paul [redacted]
Subject: Re: (WBA) PD proxy proposal submission - revised delegat

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you

Please find and acknowledge receipt of the attached broker letter evidencing ownership required for submitting Myra Young's 8/8/2022 shareholder proposal.

James McRitchie
Shareholder Advocate
Corporate Governance
http://www.corpgov.net
[redacted]

EXHIBIT E

From: Korvin, David
To: John Chevedden [redacted]
Cc: James McRitchie [redacted]; Myra Young [redacted] Ising, Elizabeth A. Walgreen
Subject: Boots Alliance, Inc. Deficiency Notice (Myra Young) Monday, August 22, 2022 7:45:36 PM
Date: Deficiency Notice (Myra Young).pdf
Attachments:

Mr. Chevedden,

On behalf of Walgreen Boots Alliance, Inc., attached please find correspondence regarding the shareholder proposal submitted by Myra Young. A paper copy of this correspondence will be delivered to you via UPS as well.

We would appreciate you kindly confirming receipt of this correspondence.

Best, David
David Korvin

GIBSON DUNN

Gibson, Dunn & Crutcher LLP
1050 Connecticut Avenue, N.W., Washington, DC 20036-5306
Tel +1 202.887.3679 • Fax +1 202.831.6037
DKorvin@gibsondunn.com • www.gibsondunn.com

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Tel 202.955.8500
www.gibsondunn.com

Elizabeth A. Ising
Direct: +1 202.955.8287
Fax: +1 202.530.9631
Eising@gibsondunn.com

August 22, 2022

VIA OVERNIGHT MAIL AND EMAIL
John Chevedden
[redacted]

Dear Mr. Chevedden:

I am writing on behalf of Walgreens Boots Alliance, Inc. (the **"Company"**), which received on August 8, 2022, the stockholder proposal entitled "Political Disclosures" submitted on August 8, 2022 (the **"Submission Date**") by Myra K. Young (the **"Proponent"**) pursuant to Securities and Exchange Commission (**"SEC"**) Rule 14a-8 for inclusion in the proxy statement for the Company's 2023 Annual Meeting of Stockholders (the **"Proposal"**).

The Proposal contains certain procedural deficiencies, which SEC regulations require us to bring to your attention. Rule 14a-8(b) under the Securities Exchange Act of 1934, as amended, provides that a stockholder proponent must submit sufficient proof of its continuous ownership of company shares. Thus, with respect to the Proposal, Rule 14a-8 requires that, for proposals submitted to a company for an annual or special meeting after January 1, 2023, the Proponent demonstrate that the Proponent has continuously owned at least:

(1) $2,000 in market value of the Company's shares entitled to vote on the Proposal for at least three years preceding and including the Submission Date;

(2) $15,000 in market value of the Company's shares entitled to vote on the Proposal for at least two years preceding and including the Submission Date; or

(3) $25,000 in market value of the Company's shares entitled to vote on the Proposal for at least one year preceding and including the Submission Date (each an **"Ownership Requirement,"** and collectively, the **"Ownership Requirements"**).

The Company's stock records do not indicate that the Proponent is the record owner of sufficient shares to satisfy any of the Ownership Requirements. In addition, to date we have not received adequate proof that the Proponent has satisfied any of the Ownership Requirements. The August 10, 2022 letter from TD Ameritrade that James McRitchie provided (the **"TD Ameritrade Letter"**) is insufficient because while it verifies ownership of 50 Company shares (the **"Shares"**) from August 10, 2019 to August 10, 2022, the TD Ameritrade Letter does not verify ownership of the Shares for the three-year period preceding and including the Submission Date,

nor does it verify ownership of the requisite amount of Company shares to satisfy either of the Ownership Requirements set forth in clauses (2) or (3) in the paragraph above.

To remedy this defect, the Proponent must obtain a new proof of ownership letter verifying that such Proponent has satisfied at least one of the Ownership Requirements. As explained in Rule 14a-8(b) and in SEC staff guidance, sufficient proof must be in the form of either:

(1) a written statement from the "record" holder of the Proponent's shares (usually a broker or a bank) verifying that, at the time the Proponent submitted the Proposal (the Submission Date), the Proponent continuously held the requisite amount of Company shares to satisfy at least one of the Ownership Requirements above; or

(2) if the Proponent was required to and has filed with the SEC a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5, or amendments to those documents or updated forms, demonstrating that the Proponent met at least one of the Ownership Requirements above, a copy of the schedule and/or form, and any subsequent amendments reporting a change in the ownership level and a written statement that the Proponent continuously held the requisite amount of Company shares to satisfy at least one of the Ownership Requirements above.

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

(1) If the Proponent's broker or bank is a DTC participant, then the Proponent needs to submit a written statement from the Proponent's broker or bank verifying that the Proponent continuously held the requisite amount of Company shares to satisfy at least one of the Ownership Requirements above.

(2) If the Proponent's broker or bank is not a DTC participant, then the Proponent needs to submit proof of ownership from the DTC participant through which the shares are held verifying that the Proponent continuously held the requisite amount of Company shares to satisfy at least one of the Ownership Requirements above. You should be able to find out the identity of the DTC participant by asking the Proponent's broker

> or bank. If the Proponent's broker is an introducing broker, you may also be able to learn the identity and telephone number of the DTC participant through the Proponent's account statements, because the clearing broker identified on the account statements will generally be a DTC participant. If the DTC participant that holds the Proponent's shares is not able to confirm the Proponent's individual holdings but is able to confirm the holdings of the Proponent's broker or bank, then the Proponent needs to satisfy the proof of ownership requirements by obtaining and submitting two proof of ownership statements verifying that the Proponent continuously held Company shares satisfying at least one of the Ownership Requirements above: (i) one from the Proponent's broker or bank confirming the Proponent's ownership, and (ii) the other from the DTC participant confirming the broker or bank's ownership.

In addition, under Rule 14a-8(b) of the Exchange Act, the Proponent must provide the Company with a written statement of the Proponent's intent to continue to hold through the date of the Company's 2023 Annual Meeting of Stockholders the requisite amount of Company shares used to satisfy at least one of the Ownership Requirements above. The Proponent's statement in this regard is insufficient. As we have not yet received adequate proof of ownership from the Proponent, and therefore do not know with certainty which of the Ownership Requirements above will be satisfied, we believe that the written statement in the Proponent's August 8, 2022 correspondence that the Proponent "will meet Rule 14a-8 requirements, including the continuous ownership of the required stock value until after the date of the respective shareholder meeting" may not be adequate to confirm that the Proponent intends to hold the required amount of the Company's shares through the date of the 2023 Annual Meeting of Stockholders because we do not know with certainty which of the Ownership Requirements above the Proponent intends to satisfy. To remedy this defect, the Proponent must submit a written statement that the Proponent intends to continue holding the same required amount of Company shares through the date of the Company's 2023 Annual Meeting of Stockholders as will be documented in the Proponent's ownership proof.

The SEC's rules require that any response to this letter be postmarked or transmitted electronically no later than 14 calendar days from the date you receive this letter. Please transmit any response by email to Jake Amsbary at jake.amsbary@wba.com. Alternatively, you may transmit any response by mail to Jake Amsbary, Senior Vice President, Corporate Secretary, Walgreens Boots Alliance, Inc., 108 Wilmot Road, MS #1858, Deerfield, IL 60015. Please note that the SEC Staff has advised that you are responsible for confirming receipt of any correspondence you transmit in response to this letter

If you have any questions with respect to the foregoing, please contact Jake Amsbary at (847) 315-5823. For your reference, I enclose a copy of Rule 14a-8, Staff Legal Bulletin No. 14F and Staff Legal Bulletin No. 14L.

Sincerely,

Elizabeth A. Ising

cc: Myra K. Young [redacted]
James McRitchie [redacted]
Joseph B. Amsbary, Jr., Walgreens Boots Alliance, Inc.
Paul R. Ingram, Walgreens Boots Alliance, Inc.
Cherita Thomas, Walgreens Boots Alliance, Inc.

Enclosures

Rule 14a-8 – Shareholder proposals.

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

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

(b) *Question 2:* Who is eligible to submit a proposal, and how do I demonstrate to the company that I am eligible? (1) To be eligible to submit a proposal, you must satisfy the following requirements:

(i) You must have continuously held:

(A) At least $2,000 in market value of the company's securities entitled to vote on the proposal for at least three years; or

(B) At least $15,000 in market value of the company's securities entitled to vote on the proposal for at least two years; or

(C) At least $25,000 in market value of the company's securities entitled to vote on the proposal for at least one year; or

(D) The amounts specified in paragraph (b)(3) of this section. This paragraph (b)(1)(i)(D) will expire on the same date that §240.14a-8(b)(3) expires; and

(ii) You must provide the company with a written statement that you intend to continue to hold the requisite amount of securities, determined in accordance with paragraph (b)(1)(i)(A) through (C) of this section, through the date of the shareholders' meeting for which the proposal is submitted; and

(iii) You must provide the company with a written statement that you are able to meet with the company in person or via teleconference no less than 10 calendar days, nor more than 30 calendar days, after submission of the shareholder proposal. You must include your contact information as well as business days and specific times that you are available to discuss the proposal with the company. You must identify times that are within the regular business hours of the company's principal executive offices. If these hours are not disclosed in the company's proxy statement for the prior year's annual meeting, you must identify times that are between 9 a.m. and 5:30 p.m. in the

time zone of the company's principal executive offices. If you elect to co-file a proposal, all co-filers must either:

(A) Agree to the same dates and times of availability, or

(B) Identify a single lead filer who will provide dates and times of the lead filer's availability to engage on behalf of all co-filers; and

(iv) If you use a representative to submit a shareholder proposal on your behalf, you must provide the company with written documentation that:

(A) Identifies the company to which the proposal is directed;

(B) Identifies the annual or special meeting for which the proposal is submitted;

(C) Identifies you as the proponent and identifies the person acting on your behalf as your representative;

(D) Includes your statement authorizing the designated representative to submit the proposal and otherwise act on your behalf;

(E) Identifies the specific topic of the proposal to be submitted;

(F) Includes your statement supporting the proposal; and

(G) Is signed and dated by you.

(v) The requirements of paragraph (b)(1)(iv) of this section shall not apply to shareholders that are entities so long as the representative's authority to act on the shareholder's behalf is apparent and self-evident such that a reasonable person would understand that the agent has authority to submit the proposal and otherwise act on the shareholder's behalf.

(vi) For purposes of paragraph (b)(1)(i) of this section, you may not aggregate your holdings with those of another shareholder or group of shareholders to meet the requisite amount of securities necessary to be eligible to submit a proposal.

(2) One of the following methods must be used to demonstrate your eligibility to submit a proposal:

(i) 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 requisite amount of securities, determined in accordance with paragraph (b)(1)(i)(A) through (C) of this section, through the date of the meeting of shareholders.

(ii) 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:

(A) 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 at least $2,000, $15,000, or $25,000 in market value of the company's securities entitled to vote on the proposal for at least three years, two years, or one year, respectively. You must also include your own written statement that you intend to continue to hold the requisite amount of securities, determined in accordance with paragraph (b)(1)(i)(A) through (C) of this section, through the date of the shareholders' meeting for which the proposal is submitted; or

(B) The second way to prove ownership applies only if you were required to file, and 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, demonstrating that you meet at least one of the share ownership requirements under paragraph (b)(1)(i)(A) through (C) of this section. If you have filed one or more of these documents with the SEC, you may demonstrate your eligibility to submit a proposal by submitting to the company:

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

(*2*) Your written statement that you continuously held at least $2,000, $15,000, or $25,000 in market value of the company's securities entitled to vote on the proposal for at least three years, two years, or one year, respectively; and

(*3*) Your written statement that you intend to continue to hold the requisite amount of securities, determined in accordance with paragraph (b)(1)(i)(A) through (C) of this section, through the date of the company's annual or special meeting.

(3) If you continuously held at least $2,000 of a company's securities entitled to vote on the proposal for at least one year as of January 4, 2021, and you have continuously maintained a minimum investment of at least $2,000 of such securities from January 4, 2021 through the date the proposal is submitted to the company, you will be eligible to submit a proposal to such company for an annual or special meeting to be held prior to January 1, 2023. If you rely on this provision, you must provide the company with your written statement that you intend to continue to hold at least $2,000 of such securities through the date of the shareholders' meeting for which the proposal is submitted. You must also follow the procedures set forth in paragraph (b)(2) of this section to demonstrate that:

(i) You continuously held at least $2,000 of the company's securities entitled to vote on the proposal for at least one year as of January 4, 2021; and

(ii) You have continuously maintained a minimum investment of at least $2,000 of such securities from January 4, 2021 through the date the proposal is submitted to the company.

(iii) This paragraph (b)(3) will expire on January 1, 2023.

(c) *Question 3:* How many proposals may I submit? Each person may submit no more than one proposal, directly or indirectly, to a company for a particular shareholders' meeting. A person may not rely on the securities holdings of another person for the purpose of meeting the eligibility requirements and submitting multiple proposals 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 addresses substantially the same subject matter as a proposal, or proposals, previously included in the company's proxy materials within the preceding five calendar years if the most recent vote occurred within the preceding three calendar years and the most recent vote was:

(i) Less than 5 percent of the votes cast if previously voted on once;

(ii) Less than 15 percent of the votes cast if previously voted on twice; or

(iii) Less than 25 percent of the votes cast if previously voted on three or more times.

(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.

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://tts.sec.gov/cgi-bin/corp_fin_interpretive.

A. The purpose of this bulletin

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

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

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

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

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

To be eligible to submit a shareholder proposal, a shareholder must have continuously held at least $2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the shareholder meeting for at least one year as of the date the shareholder submits the proposal. The shareholder must also continue to hold the required amount of securities through the date of the meeting and must provide the company with a written statement of intent to do so.[1]

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

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

2. The role of the Depository Trust Company

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

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

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

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

In light of questions we have received following two recent court cases relating to proof of ownership under Rule 14a-8[7] 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,[8] 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.[9]

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

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

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

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

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

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

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

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

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

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

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

D. The submission of revised proposals

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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[1] *See* Rule 14a-8(b).

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

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

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

[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.

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

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

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

http://www.sec.gov/interps/legal/cfslb14f.htm

Announcement

Shareholder Proposals: Staff Legal Bulletin No. 14L (CF)

Division of Corporation Finance
Securities and Exchange Commission

Action Publication of CF Staff Legal Bulletin

Date: November 3, 2021

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 Commi ion (the "Commi ion") Further, the Commi ion ha neither approved nor di approved it content Thi bulletin, like all staff guidance, has no legal force or effect: it does not alter or amend applicable law, and it creates no new or additional obligations for any person.

Contacts: For further information, please contact the Division's Office of Chief Counsel by submitting a web-based request form at https://www.sec.gov/forms/corp_fin_interpretive.

A. The Purpose of This Bulletin

The Division is rescinding Staff Legal Bulletin Nos. 14I, 14J and 14K (the "rescinded SLBs") after a review of staff experience applying the guidance in them. In addition, to the extent the views expressed in any other prior Division staff legal bulletin could be viewed as contrary to those expressed herein, this staff legal bulletin controls.

This bulletin outlines the Division's views on Rule 14a-8(i)(7), the ordinary business exception, and Rule 14a-8(i)(5), the economic relevance exception. We are also republishing, with primarily technical, conforming changes, the guidance contained in SLB No 14I and 14K relating to the u e of graphic and image , and proof of owner hip letters. In addition, we are providing new guidance on the use of e-mail for submission of proposals, delivery of notice of defects, and responses to those notices.

In Rule 14a-8, the Commission has provided a means by which shareholders can present proposals for the shareholders' consideration in the company's proxy statement. This process has become a cornerstone of shareholder engagement on important matters. Rule 14a-8 sets forth several bases for exclusion of such propo al Companie often reque t a urance that the taff will not recommend enforcement action if they omit a proposal based on one of these exclusions ("no-action relief"). The Division is issuing this bulletin to streamline and simplify our process for reviewing no-action requests, and to clarify the standards staff will apply when evaluating these requests.

B. Rule 14a-8(i)(7)

1. Background

Rule 14a-8(i)(7), the ordinary business exception, is one of the substantive bases for exclusion of a shareholder proposal in Rule 14a-8. It permits a company to exclude a proposal that "deals with a matter relating to the company' ordinary bu ine operation " The purpo e of the e ception i "to confine the re olution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting."[1]

2. Significant Social Policy Exception

Based on a review of the rescinded SLBs and staff experience applying the guidance in them, we recognize that an undue empha i wa placed on evaluating the ignificance of a policy i ue to a particular company at the expense of whether the proposal focuses on a significant social policy,[2] complicating the application of Commission policy to proposals. In particular, we have found that focusing on the significance of a policy issue to a particular company has drawn the staff into factual considerations that do not advance the policy objectives behind the ordinary bu ine e ception We have al o concluded that uch analy i did not yield con i tent, predictable results.

Going forward, the taff will realign it approach for determining whether a propo al relate to "ordinary bu ine " with the standard the Commission initially articulated in 1976, which provided an exception for certain proposals that raise significant social policy issues,[3] and which the Commission subsequently reaffirmed in the 1998 Release. This exception is essential for preserving shareholders' right to bring important issues before other hareholder by mean of the company' pro y tatement, while al o recognizing the board' authority over mo t day-to-day business matters. For these reasons, staff will no longer focus on determining the nexus between a policy issue and the company, but will instead focus on the social policy significance of the issue that is the subject of the shareholder proposal. In making this determination, the staff will consider whether the proposal raises issues with a broad ocietal impact, uch that they tran cend the ordinary bu ine of the company [4]

Under this realigned approach, proposals that the staff previously viewed as excludable because they did not appear to rai e a policy i ue of ignificance for the company may no longer be viewed a e cludable under Rule 14a-8(i)(7). For example, proposals squarely raising human capital management issues with a broad societal impact would not be subject to exclusion solely because the proponent did not demonstrate that the human capital management issue was significant to the company.[5]

Because the staff is no longer taking a company-specific approach to evaluating the significance of a policy issue under Rule 14a-8(i)(7), it will no longer expect a board analysis as described in the rescinded SLBs as part of demon trating that the propo al i e cludable under the ordinary bu ine e clu ion Ba ed on our e perience, we believe that board analysis may distract the company and the staff from the proper application of the exclusion. Additionally, the "delta" component of board analysis – demonstrating that the difference between the company's existing actions addressing the policy issue and the proposal's request is insignificant – sometimes confounded the application of Rule 14a 8(i)(10)' ub tantial implementation tandard

3. Micromanagement

Upon further consideration, the staff has determined that its recent application of the micromanagement concept, as outlined in SLB Nos. 14J and 14K, expanded the concept of micromanagement beyond the Commission's policy directives. Specifically, we believe that the rescinded guidance may have been taken to mean that any limit on company or board di cretion con titute micromanagement

The Commission has stated that the policy underlying the ordinary business exception rests on two central con ideration The fir t relate to the propo al' ubject matter; the econd relate to the degree to which the proposal "micromanages" the company "by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment."[6] The Commission clarified in the 1998 Release that specific methods, timelines, or detail do not necessarily amount to micromanagement and are not di po itive of e cludability

Con i tent with Commi ion guidance, the taff will take a mea ured approach to evaluating companie ' micromanagement arguments – recognizing that proposals seeking detail or seeking to promote timeframes or methods do not per se constitute micromanagement. Instead, we will focus on the level of granularity sought in the proposal and whether and to what extent it inappropriately limits discretion of the board or management. We would e pect the level of detail included in a hareholder propo al to be con i tent with that needed to enable inve tor to assess an issuer's impacts, progress towards goals, risks or other strategic matters appropriate for shareholder input.

Our recent letter to ConocoPhillips Company[7] provides an example of our current approach to micromanagement. In that letter the staff denied no-action relief for a proposal requesting that the company set targets covering the greenhouse gas emissions of the company's operations and products. The proposal reque ted that the company et emi ion reduction target and it did not impo e a pecific method for doing o The staff concluded this proposal did not micromanage to such a degree to justify exclusion under Rule 14a-8(i)(7).

Additionally, in order to assess whether a proposal probes matters "too complex" for shareholders, as a group, to make an informed judgment,[8] we may consider the sophistication of investors generally on the matter, the availability of data, and the robustness of public discussion and analysis on the topic. The staff may also consider reference to well e tabli hed national or international framework when a e ing propo al related to disclosure, target setting, and timeframes as indicative of topics that shareholders are well-equipped to evaluate.

Thi approach i con i tent with the Commi ion' view on the ordinary bu ine e clu ion, which i de igned to preserve management's discretion on ordinary business matters but not prevent shareholders from providing high-level direction on large strategic corporate matters. As the Commission stated in its 1998 Release:

> [In] the Proposing Release we explained that one of the considerations in making the ordinary business determination was the degree to which the proposal seeks to micro-manage the company. We cited examples such as where the proposal seeks intricate detail, or seeks to impose specific time-frames or to impo e pecific method for implementing comple policie Some commenter thought that the e ample cited seemed to imply that all proposals seeking detail, or seeking to promote time-frames or methods, necessarily amount to 'ordinary business.' We did not intend such an implication. Timing questions, for instance, could involve significant policy where large differences are at stake, and proposals may seek a rea onable level of detail without running afoul of the e con ideration

While the analysis in this bulletin may apply to any subject matter, many of the proposals addressed in the re cinded SLB reque ted companie adopt timeframe or target to addre climate change that the taff concurred were excludable on micromanagement grounds.[9] Going forward we would not concur in the exclusion of similar proposals that suggest targets or timelines so long as the proposals afford discretion to management as to how to achieve such goals.[10] We believe our current approach to micromanagement will help to avoid the dilemma many proponent faced when eeking to craft propo al with ufficient pecificity and direction to avoid being excluded under Rule 14a-8(i)(10), substantial implementation, while being general enough to avoid exclusion for "micromanagement."[11]

C. Rule 14a-8(i)(5)

Rule 14a-8(i)(5), the "economic relevance" exception, permits a company to exclude a proposal that "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 otherwi e ignificantly related to the company' bu ine "

Based on a review of the rescinded SLBs and staff experience applying the guidance in them, we are returning to our long tanding approach, prior to SLB No 14I, of analyzing Rule 14a 8(i)(5) in a manner we believe i con i tent with Lovenheim v. Iroquois Brands, Ltd.[12] As a result, and consistent with our pre-SLB No. 14I approach and Lovenheim, proposals that raise issues of broad social or ethical concern related to the company's business may

not be excluded, even if the relevant business falls below the economic thresholds of Rule 14a-8(i)(5). In light of this approach, the staff will no longer expect a board analysis for its consideration of a no-action request under Rule 14a-8(i)(5).

D. Rule 14a-8(d)[13]

1. Background

Rule 14a-8(d) is one of the procedural bases for exclusion of a shareholder proposal in Rule 14a-8. It provides that a "proposal, including any accompanying supporting statement, may not exceed 500 words."

2. The Use of Images in Shareholder Proposals

Questions have arisen concerning the application of Rule 14a-8(d) to proposals that include graphs and/or images.[14] The staff has expressed the view that the use of "500 words" and absence of express reference to graphics or images in Rule 14a-8(d) do not prohibit the inclusion of graphs and/or images in proposals.[15] Just as companies include graphics that are not expressly permitted under the disclosure rules, the Division is of the view that Rule 14a-8(d) does not preclude shareholders from using graphics to convey information about their proposals.[16]

The Division recognizes the potential for abuse in this area. The Division believes, however, that these potential abuses can be addressed through other provisions of Rule 14a-8. For example, exclusion of graphs and/or images would be appropriate under Rule 14a-8(i)(3) where they:

- make the proposal materially false or misleading;
- render the proposal so inherently vague or indefinite that neither the stockholders voting on the proposal, nor the company in implementing it, would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires;
- directly or indirectly impugn character, integrity or personal reputation, or directly or indirectly make charges concerning improper, illegal, or immoral conduct or association, without factual foundation; or
- are irrelevant to a consideration of the subject matter of the proposal, such that there is a strong likelihood that a reasonable shareholder would be uncertain as to the matter on which he or she is being asked to vote.[17]

Exclusion would also be appropriate under Rule 14a-8(d) if the total number of words in a proposal, including words in the graphics, exceeds 500.

E. Proof of Ownership Letters[18]

In relevant part, Rule 14a-8(b) provides that a proponent must prove eligibility to submit a proposal by offering proof that it "continuously held" the required amount of securities for the required amount of time.[19]

In Section C of SLB No. 14F, we identified two common errors shareholders make when submitting proof of ownership for purposes of satisfying Rule 14a-8(b)(2).[20] In an effort to reduce such errors, we provided a suggested format for shareholders and their brokers or banks to follow when supplying the required verification of ownership.[21] Below, we have updated the suggested format to reflect recent changes to the ownership thresholds due to the Commission's 2020 rulemaking.[22] We note that brokers and banks are not required to follow this format.

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

Some companies apply an overly technical reading of proof of ownership letters as a means to exclude a proposal. We generally do not find arguments along these lines to be persuasive. For example, we did not concur with the excludability of a proposal based on Rule 14a-8(b) where the proof of ownership letter deviated from the format set forth in SLB No. 14F.[23] In those cases, we concluded that the proponent nonetheless had supplied documentary support sufficiently evidencing the requisite minimum ownership requirements, as required by Rule 14a-8(b). We took a plain meaning approach to interpreting the text of the proof of ownership letter, and we expect companies to apply a similar approach in their review of such letters.

While we encourage shareholders and their brokers or banks to use the sample language provided above to avoid this issue, such formulation is neither mandatory nor the exclusive means of demonstrating the ownership requirements of Rule 14a-8(b).[24] We recognize that the requirements of Rule 14a-8(b) can be quite technical. Accordingly, companies should not seek to exclude a shareholder proposal based on drafting variances in the proof of ownership letter if the language used in such letter is clear and sufficiently evidences the requisite minimum ownership requirements.

We also do not interpret the recent amendments to Rule 14a-8(b)[25] to contemplate a change in how brokers or banks fulfill their role. In our view, they may continue to provide confirmation as to how many shares the proponent held continuously and need not separately calculate the share valuation, which may instead be done by the proponent and presented to the receiving issuer consistent with the Commission's 2020 rulemaking.[26] Finally, we believe that companies should identify any specific defects in the proof of ownership letter, even if the company previously sent a deficiency notice prior to receiving the proponent's proof of ownership if such deficiency notice did not identify the specific defect(s).

F. Use of E-mail

Over the past few years, and particularly during the pandemic, both proponents and companies have increasingly relied on the use of emails to submit proposals and make other communications. Some companies and proponents have expressed a preference for emails, particularly in cases where offices are closed. Unlike the use of third-party mail delivery that provides the sender with a proof of delivery, parties should keep in mind that methods for the confirmation of email delivery may differ. Email delivery confirmations and company server logs may not be sufficient to prove receipt of emails as they only serve to prove that emails were sent. In addition, spam filters or incorrect email addresses can prevent an email from being delivered to the appropriate recipient. The staff therefore suggests that to prove delivery of an email for purposes of Rule 14a-8, the sender should seek a reply e-mail from the recipient in which the recipient acknowledges receipt of the e-mail. The staff also encourages both companies and shareholder proponents to acknowledge receipt of emails when requested. Email read receipts, if received by the sender, may also help to establish that emails were received.

1. Submission of Proposals

Rule 14a-8(e)(1) provides that in order to avoid controversy, shareholders should submit their proposals by means, including electronic means, that permit them to prove the date of delivery. Therefore, where a dispute arises regarding a proposal's timely delivery, shareholder proponents risk exclusion of their proposals if they do not receive a confirmation of receipt from the company in order to prove timely delivery with email submissions. Additionally, in those instances where the company does not disclose in its proxy statement an email address for submitting proposals, we encourage shareholder proponents to contact the company to obtain the correct email address for submitting proposals before doing so and we encourage companies to provide such email addresses upon request.

2. Delivery of Notices of Defects

Similarly, if companies use email to deliver deficiency notices to proponents, we encourage them to seek a confirmation of receipt from the proponent or the representative in order to prove timely delivery. Rule 14a-8(f)(1) provides that the company must notify the shareholder of any defects within 14 calendar days of receipt of the proposal, and accordingly, the company has the burden to prove timely delivery of the notice.

3. Submitting Responses to Notices of Defects

Rule 14a-8(f)(1) also provides that a shareholder's response to a deficiency notice must be postmarked, or transmitted electronically, no later than 14 days from the date of receipt of the company's notification. If a shareholder uses email to responds to a company's deficiency notice, the burden is on the shareholder or representative to use an appropriate email address (e.g., an email address provided by the company, or the email address of the counsel who sent the deficiency notice), and we encourage them to seek confirmation of receipt.

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[1] Release No. 34-40018 (May 21, 1998) (the "1998 Release"). Stated a bit differently, the Commission has explained that "[t]he 'ordinary business' exclusion is based in part on state corporate law establishing spheres of authority for the board of directors on one hand, and the company's shareholders on the other." Release No. 34-39093 (Sept. 18, 1997).

[2] For example, SLB No. 14K explained that the staff "takes a company-specific approach in evaluating significance, rather than recognizing particular issues or categories of issues as universally 'significant.'" Staff Legal Bulletin No. 14K (Oct. 16, 2019).

[3] Release No. 34-12999 (Nov. 22, 1976) (the "1976 Release") (stating, in part, "proposals of that nature [relating to the economic and safety considerations of a nuclear power plant], as well as others that have major implications, will in the future be considered beyond the realm of an issuer's ordinary business operations").

[4] 1998 Release ("[P]roposals . . . focusing on sufficiently significant social policy issues. . .generally would not be considered to be excludable, because the proposals would transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote")

[5] *See, e.g., Dollar General Corporation* (Mar. 6, 2020) (granting no-action relief for exclusion of a proposal requesting the board to issue a report on the use of contractual provision requiring employees to arbitrate employment-related claims because the proposal did not focus on specific policy implications of the use of arbitration at the company). We note that in the 1998 Release the Commission stated: "[P]roposals relating to [workforce management] but focusing on sufficiently significant social policy issues (e.g., significant discrimination matters) generally would not be considered to be excludable, because the proposals would transcend the day to day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote." Matters related to employment discrimination are but one example of the workforce management proposals that may rise to the level of transcending the company's ordinary business operations.

[6] 1998 Release.

[7] *ConocoPhillips Company* (Mar. 19, 2021).

[8] *See* 1998 Release and 1976 Release

[9] *See, e.g.*, *PayPal Holdings, Inc.* (Mar. 6, 2018) (granting no-action relief for exclusion of a proposal asking the company to prepare a report on the feasibility of achieving net zero emissions by 2030 because the staff concluded it micromanaged the company); *Devon Energy Corporation* (Mar. 4, 2019) (granting no-action relief for exclusion of a proposal requesting that the board in annual reporting include disclosure of short-, medium- and long-term greenhouse gas targets aligned with the Paris Climate Agreement because the staff viewed the proposal as requiring the adoption of time bound targets)

[10] *See ConocoPhillips Company* (Mar. 19, 2021).

[11] To be more specific, shareholder proponents have expressed concerns that a proposal that was broadly worded might face exclusion under Rule 14a-8(i)(10). Conversely, if a proposal was too specific it risked exclusion under Rule 14a 8(i)(7) for micromanagement

[12] 618 F. Supp. 554 (D.D.C. 1985).

[13] Thi ection previou ly appeared in SLB No 14I (Nov 1, 2017) and i republi hed here with only minor, conforming changes.

[14] Rule 14a 8(d) i intended to limit the amount of pace a hareholder propo al may occupy in a company' proxy statement. *See* 1976 Release.

[15] *See General Electric Co* (Feb 3, 2017, Feb 23, 2017); *General Electric Co* (Feb 23, 2016) The e decisions were consistent with a longstanding Division position. *See Ferrofluidics Corp.* (Sept. 18, 1992).

[16]Companie hould not minimize or otherwi e dimini h the appearance of a hareholder' graphic For example, if the company includes its own graphics in its proxy statement, it should give similar prominence to a shareholder's graphics. If a company's proxy statement appears in black and white, however, the shareholder proposal and accompanying graphics may also appear in black and white.

[17] *See General Electric Co.* (Feb. 23, 2017).

[18] This section previously appeared in SLB No. 14K (Oct.16, 2019) and is republished here with minor, conforming changes. Additional discussion is provided in the final paragraph.

[19] Rule 14a-8(b) requires proponents to have continuously held at least $2,000, $15,000, or $25,000 in market value of the company's securities entitled to vote on the proposal for at least three years, two years, or one year, respectively.

[20]Staff Legal Bulletin No. 14F (Oct. 18, 2011).

[21]The Division suggested the following formulation: "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]."

[22] Release No. 34-89964 (Sept. 23, 2020) (the "2020 Release").

[23] *See Amazon.com, Inc.* (Apr. 3, 2019); *Gilead Sciences, Inc.* (Mar. 7, 2019).

[24] *See* Staff Legal Bulletin No 14F, n 11

[25] *See* 2020 Release.

[26] 2020 Release at n.55 ("Due to market fluctuations, the value of a shareholder's investment in a company may vary throughout the applicable holding period before the shareholder submits the proposal. In order to determine whether the hareholder ati fie the relevant owner hip thre hold, the hareholder hould look at whether, on any date within the 60 calendar days before the date the shareholder submits the proposal, the shareholder's investment is valued at the relevant threshold or greater. For these purposes, companies and shareholders should determine the market value by multiplying the number of securities the shareholder continuously held for the relevant period by the highe t elling price during the 60 calendar day before the hareholder ubmitted the proposal. For purposes of this calculation, it is important to note that a security's highest selling price is not necessarily the same as its highest closing price.") (citations omitted).

Modified: Nov. 3, 2021

EXHIBIT F

Proof of Delivery

Dear Customer,

This notice serves as proof of delivery for the shipment listed below

Tracking Number

1Z975463NT95025614

Service

UPS Next Day Air®

Shipped / Billed On

08/22/2022

Delivered On

08/23/2022 10:00 A.M.

Delivered To

ELK GROVE, CA, US

Left At

Front Door

Thank you for giving us this opportunity to serve you Details are only available for shipments delivered within the last 120 days. Please print for your records if you require this information after 120 days.

Sincerely,

UPS

Tracking results provided by UPS 08/23/2022 1 02 P M EST

EXHIBIT G

From:	James McRitchie
To:	Korvin, David
Cc:	John Chevedden
Subject:	Fwd: (WBA) PD proxy proposal submission - revised delegat
Date:	Monday, August 22, 2022 10:22:14 PM
Attachments:	Walgreen Boots Alliance Inc. Deficiency Notice (Myra Young).eml.msg Walgreen Boots Alliance Inc. Deficiency Notice (Myra Young).eml.msg WBA Young PII .pdf

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[WARNING: External Email]

We do not understand your letter since Mr. Amsbary acknowledged evidence of ownership a week ago.

Begin forwarded message:

From: James McRitchie [redacted]
Subject: Re: (WBA) PD proxy proposal submission - revised delegat
Date: August 15, 2022 at 4:29:44 PM PDT
To: "Amsbary jr, Joseph" [redacted]

Thanks for quick response.

James McRitchie
Shareholder Advocate
Corporate Governance
http://www.corpgov.net
[redacted]

[redacted]

On Aug 15, 2022, at 4:28 PM, Amsbary jr, Joseph [redacted] wrote:

Received, thank you.

Jake

From: James McRitchie [redacted]
Sent: Monday, August 15, 2022 6:12:44 PM
To: Amsbary jr, Joseph [redacted]
Cc: John Chevedden [redacted] Thomas, Cherita [redacted] Ingram, Paul [redacted]
Subject: Re: (WBA) PD proxy proposal submission - revised delegat

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Please find and acknowledge receipt of the attached broker letter evidencing ownership required for submitting Myra Young's 8/8/2022 shareholder proposal.

James McRitchie
Shareholder Advocate
Corporate Governance
http://www.corpgov.net
[redacted]

On Aug 9, 2022, at 12:30 PM, Amsbary jr, Joseph [redacted]> wrote:

Received, thank you. Please forward the broker letter to my attention.

-----Original Message-----
From: mky [redacted]
Sent: Tuesday, August 9, 2022 1:40 PM
To: WBAboard [redacted]
Cc: Thomas, Cherita [redacted]; Ingram, Paul [redacted] Amsbary jr, Joseph [redacted]; John Chevedden [redacted]; James McRitchie [redacted]
Subject: (WBA) PD proxy proposal submission - revised delegat

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Corporate Secretary

Please find and acknowledge via email receipt of this

email and the attached shareholder proposal on enhanced political disclosure. I look forward to negotiating a withdrawal if a mutually acceptable agreement can be reached. Please note the attached delegations of authority to my husband James McRitchie and to John Chevedden.

This letter slightly revises my previous delegation dated August 8, 2022, but does not change the proposal submitted on that date. Thank you Mr. Amsbary Jr. for acknowledging my submission. I have requested a broker letter evidencing ownership, so should be able to forward that shortly.

Best Wishes,

MK Young, Shareholder Advocate
CorpGov.net

This e-mail (including any attachments) is confidential and may be privileged or otherwise protected. It may be read, copied and used only by the intended recipient. If you are not the intended recipient you should not copy it or use it for any purpose or disclose its contents to another person. If you have received this message in error, please notify us and remove it from your system. Messages sent to and from companies in the Walgreens Boots Alliance group may be monitored to ensure compliance with internal policies and to protect our business. Emails are not secure and cannot be guaranteed to be error free. We cannot accept liability for any damage you incur as a result of virus infection.