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

DIVISION OF
CORPORATION FINANCE

April 15, 2024

Alan L. Dye
Hogan Lovells US LLP

Re: UnitedHealth Group Incorporated (the "Company")
Incoming letter dated February 1, 2024

Dear Alan L. Dye:

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

The Proposal requests that the Company amend its bylaws to include specified requirements for fixing the compensation of directors.

There appears to be some basis for your view that the Company may exclude the Proposal under Rule 14a-8(i)(2). We note that in the opinion of Delaware counsel, implementation of the Proposal would cause the Company to violate state law. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on Rule 14a-8(i)(2). 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/2023-2024-shareholder-proposals-no-action.

Sincerely,

Rule 14a-8 Review Team

cc: John Chevedden

Hogan Lovells US LLP
Columbia Square
555 Thirteenth Street
Washington, DC 20004
T +1 202 637 5600
F +1 202 637 5910
www.hoganlovells.com

February 1, 2024

Rule 14a-8(i)(2)
Rule 14a-8(i)(6)
Rule 14a-8(i)(7)

VIA ONLINE SHAREHOLDER PROPOSAL FORM

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

Re: ***UnitedHealth Group Incorporated – Proposal Submitted by John Chevedden***

Ladies and Gentlemen:

On behalf of UnitedHealth Group Incorporated (the "***Company***"), we are submitting this letter pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934 to notify the Securities and Exchange Commission (the "***Commission***") of the Company's intention to exclude a shareholder proposal (the "***Proposal***") submitted by John Chevedden (the "***Proponent***") from the Company's proxy statement and form of proxy (together, the "***2024 Proxy Materials***") to be distributed to the Company's shareholders in connection with its 2024 annual meeting of shareholders (the "***2024 Annual Meeting***"). The Company respectfully requests confirmation that the staff of the Division of Corporation Finance (the "***Staff***") will not recommend to the Commission that enforcement action be taken if the Company excludes the Proposal from the 2024 Proxy Materials for the reasons discussed below.

In accordance with Staff guidance, this letter is being submitted using the Staff's online Shareholder Proposal Form. Pursuant to Rule 14a-8(j), a copy of this submission also is being sent to the Proponent. Rule 14a-8(k) and SLB No. 14D provide that a shareholder proponent is required to send to the Company a copy of any correspondence the proponent elects to submit to the Commission or the Staff. Accordingly, we hereby inform the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff relating to the Proposal, the Proponent should concurrently furnish a copy of that correspondence to the undersigned on behalf of the Company (by e-mail).

Pursuant to the guidance provided in Section F of Staff Legal Bulletin 14F (October 18, 2011), we ask that the Staff provide its response to this request to the undersigned via e-mail at the address noted in the last paragraph of this letter.

The Company intends to file its definitive 2024 Proxy Materials with the Commission on or about April 22, 2024.

THE PROPOSAL

The Proposal sets forth the following resolution to be voted on by shareholders at the 2024 Annual Meeting:

> The Bylaws of UnitedHealth Group Incorporated are amended as follows:
>
> Article Ill , Section 3.15 is deleted and replaced in its entirety as follows:
>
> Compensation. The Board of Directors may, by resolution, provide that all directors shall receive their expenses, if any, of attendance at meetings of the Board of Directors or any committee thereof. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving proper compensation therefor. The Board of Directors shall not have any authority to fix the compensation of directors. The compensation of directors the corporation pays shall be fixed at $1 in a fiscal year; provided, however, the corporation may pay, grant, or award compensation greater than $1 in a fiscal year if such compensation has been (1) disclosed to shareholders in advance of the fiscal year in which the corporation will pay, grant, or award such compensation; (2) submitted to an approval vote of shareholders at an annual or special meeting of shareholders in advance of the fiscal year in which the corporation will pay, grant, or award such disclosed compensation; and (3) approved by a majority of shareholder votes present in person or represented by proxies and entitled to vote cast in favor of the disclosed annual compensation at an annual or special meeting of shareholders in advance of the fiscal year in which the corporation will pay, grant, or award such compensation, which majority shall include only shareholder votes of shareholders that are not directors of the corporation.

A copy of the Proponent's complete submission, including the Proposal, supporting statement, and related materials, is attached hereto as Exhibit A.

BASES FOR EXCLUSION

The Company hereby respectfully requests that the Staff concur in its view that the Proposal may be excluded from the 2024 Proxy Materials pursuant to (i) Rule 14a-8(i)(2) because the Proposal would require the Company to violate Delaware law, (ii) Rule 14a-8(i)(6)

because the Company lacks the power to implement the Proposal, and Rule 14a-8(i)(7) because it micromanages the Company.

I. Rule 14a-8(i)(2) – The Proposal Would Require the Company to Violate Delaware Law

Rule 14a-8(i)(2) permits a company to exclude a proposal if its implementation would cause the company to violate state, federal or foreign law applicable to the company. The Company is incorporated under the laws of the State of Delaware. As more fully explained in the legal opinion of Richards, Layton & Finger, P.A. (the "***Delaware Legal Opinion***") attached hereto as Exhibit B, the Proposal, if approved by shareholders, would cause the Company to violate Delaware law. As the Delaware Legal Opinion explains, the Proposal would, if adopted and implemented, (a) impermissibly eliminate the authority of the Company's Board of Directors (the "***Board***") to fix the compensation of directors and instead allow shareholders to set the compensation of directors and (b) impermissibly require the Company to violate the "one vote for each share" default standard under Delaware law.

The Staff has on numerous occasions permitted exclusion under Rule 14a-8(i)(2) of proposals that would cause companies to violate state law, including when the proposal would violate state law by eliminating rights afforded to directors, or would deprive shareholders of franchise voting rights. For example, in *Citigroup Inc.* (Feb. 22, 2012), the Staff permitted exclusion of a proposal that would have minimized indemnification of directors, where the supplied opinion of counsel opined that Delaware law did not permit a Delaware corporation to prohibit indemnification to directors in the manner specified by the proposal. In addition, in *Quotient Technology, Inc.*, (May 6, 2022), the staff permitted exclusion of a proposal requesting that the board disqualify all shares owned and/or controlled by current and former named executive officers from voting to approve a tax benefits preservation plan. The supplied opinion of Delaware counsel stated that the proposal violated Delaware law by unilaterally depriving named executive officers of their franchise right to one vote per share of stock they own. *See also eBay Inc.* (April 1, 2020) (permitting exclusion of a proposal requesting that the company allow employees to elect a specified percentage of the board, which would have required the company to violate Delaware law by causing shareholders to no longer have one vote for each share); and *Dominion Resources, Inc.* (Jan. 14, 2015) (concurring with exclusion of a proposal that requested a director be appointed by the board without a shareholder vote because proposal would have violated the one vote for each share rule under Virginia law).

A. *The Proposal would eliminate the Board's authority to fix director compensation*

As explained in the Delaware Legal Opinion, while the power to determine director compensation is within the authority of the board of directors of a Delaware corporation, such power may be *restricted* by a corporation's organizational documents, but not eliminated. By fixing director compensation at a static $1 rate, and vesting in the Company's shareholders the

sole authority to approve any changes to such rate, the Proposal would adopt a bylaw that eliminates the Board's authority to fix director compensation, contrary to Delaware law.

Section 141(h) of the Delaware General Corporation Law ("***DGCL***") provides that "[u]nless otherwise restricted by the certificate of incorporation or bylaws, the board of directors shall have the authority to fix the compensation of directors." Therefore, the Board has the authority to set director compensation unless the Company's Amended and Restated Certificate of Incorporation, as amended (the "***Charter***") or the Amended and Restated Bylaws of the Company, amended as of February 23, 2021 (the "***Bylaws***") contain a restriction on that authority. However, the Proposal mandates the adoption of a bylaw that does not merely restrict the Board's authority to set director compensation, but rather eliminates it entirely. As explained in the Delaware Legal Opinion, the Delaware courts have indicated that "restrict[]" is not synonymous with "eliminate." *See Gotham Partners, L.P. v. Hallwood Realty Partners, L.P.*, 817 A.2d 160, 167-68 (Del. 2002) (noting that the statutory provision in Delaware's Limited Partnership Act that permitted a person's duties and liabilities to be "expanded and restricted" in a partnership agreement did not permit such duties and liabilities to be "eliminate[d]" in the partnership agreement). Also as explained in the Delaware Legal Opinion, a bylaw provision that is contrary to statute is void. Because the bylaw provision mandated by the Proposal states that the Board shall not have *any* authority to fix director compensation, it violates Delaware law.

B. ***The Proposal would defease certain shareholders of voting power***

The Proposal contemplates that any change to the $1 director compensation amount must be "approved by a majority of shareholder votes present in person or represented by proxies and entitled to vote cast in favor . . . which majority shall include only shareholder votes of shareholders that are not directors of the corporation." As explained in the Delaware Legal Opinion, a bylaw that denies certain shareholders of their franchise voting rights is impermissible under Delaware law.

Section 212(a) of the DGCL provides that, unless otherwise provided in the Company's certificate of incorporation, "each stockholder shall be entitled to 1 vote for each share of capital stock held by such stockholder." The Charter does not provide for any variation from Section 212(a)'s one vote per share mandate, and in fact contains a provision affirming the applicability of Section 212(a)'s default standard to the Company, stating in Article IV, Section (b)(2) that "the holders of the [Company's] Common Stock are entitled to one vote of each share held for the election of directors and *all* matters submitted to a vote of the shareholders of the Corporation" (emphasis added). The Company's directors each hold shares of the Company's common stock, and in fact are required to be shareholders in accordance with the Company's stock ownership guidelines, which mandate that all directors own a minimum amount of the Company's common stock within five years of their appointment to the Board. As of the Company's last annual meeting in 2023, all directors of the Board were in compliance with the stock ownership guidelines. Therefore, in accordance with the DGCL and the Charter, each shareholder, including all of the

directors of the Board, are entitled to one vote for each share of common stock held on *all* matters submitted to a shareholder vote. However, the Proposal explicitly excludes the shareholders who are also directors from voting on director compensation proposals submitted for shareholder approval. The supporting statement also emphasizes that stock owned by directors will not count in the vote. Because the Charter does not contain any provision opting out of the "one vote for each share" default rule in Section 212(a) of the DGCL, implementation of the Proposal would violate Delaware law by divesting shareholders who are directors of their right to vote on director compensation proposals.

As explained in the Delaware Legal Opinion, because the bylaw contemplated by the Proposal attempts to vary the one vote per share mandate of Section 212(a) by defeasing any shareholder who is also a director of any voting power with respect to director compensation proposals submitted for approval of the shareholders, it violates Section 212(a) of the DGCL and therefore is invalid. This scenario is equivalent to the ones in *Quotient Technology Inc.*, *eBay Inc.* and *Dominion Resources, Inc.* described above, in each of which the Staff allowed exclusion of a proposal that would have altered the one vote for each share principle under applicable state law.

As described above and in the Delaware Law Opinion, the Proposal, once approved, would cause the Company to violate the DGCL. Therefore, the Company believes that the Proposal is excludable under Rule 14a-8(i)(2).

II. Rule 14a-8(i)(6) – The Company Lacks the Power to Implement the Proposal.

Rule 14a-8(i)(6) allows a company to exclude a proposal if the company would lack the power or authority to implement the proposal. As described above, the Proposal would, if implemented, cause the Company to violate Delaware law. The Staff has on numerous occasions permitted exclusion under Rule 14a-8(i)(6) of proposals that would cause the company to violate the law of the jurisdiction of its incorporation. *See Arlington Asset Investment Corp.* (April 23, 2021) (permitting exclusion of proposal that would violate Virginia law); *eBay Inc.* (April 1, 2020); *Trans World Entertainment Corp.* (May 2, 2019) (permitting exclusion of proposal that would violate New York law); *IDACORP, Inc.* (permitting exclusion of proposal that would violate Idaho law) (March 13, 2012); *NiSource Inc.* (March 22, 2010) (permitting exclusion of proposal that would violate Indiana law); *Schering-Plough Corp.* (March 27, 2008) (permitting exclusion of proposal that would violate New Jersey law); *AT&T, Inc.* (Feb. 19, 2008) (permitting exclusion of a proposal that would violate Delaware law); *Noble Corp.* (Jan. 19, 2007) (permitting exclusion of a proposal that would violate Cayman Islands law).

III. Rule 14a-8(i)(7) – The Proposal Seeks to Micromanage the Company.

A shareholder proposal may be excluded under Rule 14a-8(i)(7) if "the proposal deals with a matter relating to the company's ordinary business operations." The term "ordinary business" refers to matters that are not necessarily "ordinary" in the common meaning of the word; instead the term "is rooted in the corporate law concept of providing management with

flexibility in directing certain core matters involving the company's business and operations." See Securities Exchange Act Release No. 34-40018 (May 21, 1998) (the "***1998 Release***"). Per the 1998 Release, 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."

In the 1998 Release, the Commission explained that the ordinary business exclusion rests on two central considerations: first, that "[c]ertain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight"; and second, the degree to which the proposal attempts to "micromanage" a 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."

Further, the Commission noted in the 1998 Release that determinations as to the excludability of proposals on the basis of micromanagement will "be made on a case-by-case basis, taking into account factors such as the nature of the proposal and the circumstances of the company to which it is directed." In addition, the Commission has indicated that "the Staff will take a measured approach to evaluating companies' micromanagement arguments" and "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." See Staff Legal Bulletin No. 14L (Nov. 3, 2021).

In seeking prior shareholder approval of any changes to director compensation that would exceed $1 per year, the Proposal seeks to micromanage the Company by probing too deeply into matters about which shareholders as a group are not in a position to make an informed judgment. As discussed above, the Proposal completely eliminates the discretion of the Board to determine director compensation, and improperly vests shareholders with the complex determination of setting annual director compensation. The Staff has consistently permitted exclusion of shareholder proposals that attempt to micromanage a company by requiring advance shareholder approval of items that relate to complex day-to-day business operations that are beyond the knowledge and expertise of shareholders. *See, e.g., The Coca-Cola Company* (Feb. 16, 2022) (permitting exclusion of a proposal because it would micromanage the company by requiring prior shareholder approval of any proposed political statement by the company); *Royal Caribbean Cruises Ltd.* (March 14, 2019) (permitting exclusion of a proposal because it micromanaged the company by requiring stockholder approval for all company buybacks); *Walgreens Boots Alliance, Inc.*(November 20, 2018) (proposal requesting that stock buybacks adopted by the board not become effective until approved by shareholders was excludable for micromanaging by substituting shareholder approval for board decision-making).

Determination of director compensation is a complex exercise that requires the balancing of multiple competing factors and the application of informed judgment. The Board's director compensation program is highly calibrated to reflect the Company's desire to attract, retain and benefit from the expertise of highly qualified people with backgrounds and experience relevant

to its business, and to align their interests with the long-term interests of shareholders. By imposing granular and rigid parameters on director compensation and substituting shareholders' judgement in place of the Board's, the Proposal impermissibly micromanages the Board's discretion and flexibility in aligning director compensation in a manner that serves the long-term interests of the Company.

The Staff has long recognized that compensation matters are often an area where shareholder proposals may impose excessive granularity and inappropriately limit the Board's discretion. Accordingly, the Staff has consistently concurred with the exclusion of compensation-related proposals based on micromanagement. *See*, *e.g. AT&T Inc.* (March 15, 2023) (permitting exclusion of a proposal that would require shareholder approval for any future agreements and corporate policies that could oblige the company to make payments or awards following the death of a senior executive in the form of unearned salary or bonuses, accelerate vesting or the continuation in force of unvested equity grants, perquisites or other payments made in lieu of compensation); *Rite Aid Corp.* (April 21, 2021, recon. denied May 10, 2021) (permitting exclusion of a proposal that would prohibit equity compensation grants to senior executives under specified circumstances without providing any discretion to the company); *Gilead Sciences, Inc.* (Dec. 23, 2020) (permitting exclusion of a proposal that would reduce the company's pay ratio each year until it reached 20 to one); *JPMorgan Chase & Co.* (March 22, 2019) (permitting exclusion of a proposal requiring the company to adopt a policy prohibiting the vesting of equity-based awards for senior executives due to a voluntary resignation to enter government service).

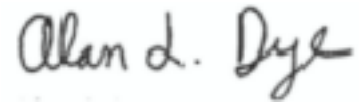
The Proposal entirely removes the Board's discretion to determine director compensation. Consistent with the Staff positions described above, the Proposal would impose an exclusive means for determining the compensation of the Company's directors with a level of granularity that impermissibly removes the discretion of the Board and that probes into matters too complex for shareholders, as a group, to make an informed judgment about. Accordingly, the Proposal micromanages the Company and is excludable under Rule 14a-8(i)(7).

CONCLUSION

For the reasons discussed above, we believe that the Company may omit the Proposal from its 2024 Proxy Materials. We request the Staff's concurrence in our view or, alternatively, confirmation that the Staff will not recommend any enforcement action if the Company excludes the Proposal.

If you have any questions or need additional information, please feel free to contact me at (202) 637-5737. Correspondence regarding this letter may be sent to me by e-mail at: alan.dye@hoganlovells.com.

Sincerely,



Alan L. Dye

Enclosures

cc: Rupert Bondy, UnitedHealth Group Incorporated
Alan L. Dye, Hogan Lovells US LLP
John Chevedden

Exhibit A

Proponent's Submission

JOHN CHEVEDDEN

[redacted] [redacted]

Mr Rupert Bondy
Corporate Secretary
UnitedHealth Group Inc. (UNH)
UnitedHealth Group Center
9900 Bren Road East
Minnetonka, MN 55343
PH: [redacted]
FX: [redacted]

REVISED

Dear Mr. Bondy,

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

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

This proposal is for the next annual shareholder meeting.

I intend to continue to hold the required amount of Company shares through the date of the Company's next Annual Meeting of Stockholders and beyond as is or will be documented in my ownership proof.

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

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

Please use the title of the proposal in bold in all references to the proposal in the proxy including the table of contents, like Board of Directors proposals, and on the ballot. If there is objection to the title please negotiate or seek no action relief as a last resort.

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

Please confirm that this proposal was sent to the correct email address for rule 14a-8 proposals.
Per SEC SLB 14L, Section F, the Securities and Exchange Commission Staff "encourages both companies and shareholder proponents to acknowledge receipt of emails when requested."
I so request.

Sincerely,

John Chevedden

December 22, 2023
Date

cc: Faraz A. Choudhry [redacted]
Office of the Corporate Secretary [redacted]
Kuai H. Leong [redacted]
"Hunter, Cheryl K" [redacted]

[UNH: Rule 14a-8 Proposal, December 22, 2023| Revised December 22, 2023]
[This line and any line above it – *Not* for publication.]

Proposal 4 – Bylaw Amendment: Shareholder Approval of Director Compensation

The Bylaws of UnitedHealth Group Incorporated are amended as follows:

Article III, Section 3.15 is deleted and replaced in its entirety as follows:

Compensation. The Board of Directors may, by resolution, provide that all directors shall receive their expenses, if any, of attendance at meetings of the Board of Directors or any committee thereof. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving proper compensation therefor. The Board of Directors shall not have any authority to fix the compensation of directors. The compensation of directors the corporation pays shall be fixed at $1 in a fiscal year; provided, however, the corporation may pay, grant, or award compensation greater than $1 in a fiscal year if such compensation has been (1) disclosed to shareholders in advance of the fiscal year in which the corporation will pay, grant, or award such compensation; (2) submitted to an approval vote of shareholders at an annual or special meeting of shareholders in advance of the fiscal year in which the corporation will pay, grant, or award such disclosed compensation; and (3) approved by a majority of shareholder votes present in person or represented by proxies and entitled to vote cast in favor of the disclosed annual compensation at an annual or special meeting of shareholders in advance of the fiscal year in which the corporation will pay, grant, or award such compensation, which majority shall include only shareholder votes of shareholders that are not directors of the corporation.

Supporting statement

UnitedHealth shareholders seek an independent Board of Directors, one that has as its sole objective representing shareholders without conflict of interest. One interest pertains to compensation and how UnitedHealth compensates directors for board service. Shareholders seek the authority to approve compensation that directors receive from UnitedHealth.

Shareholders want and need authority over how and how much UnitedHealth compensates directors. If shareholders approve compensation, then directors have the greatest incentive to work in the sole interest of shareholders. Currently, directors design and approve compensation with no approval from shareholders. Directors receive whatever compensation they desire. This bylaw amendment corrects this problem.

The bylaw amendment provides for a shareholder vote on director compensation. Directors can continue to design and propose compensation structure and amount, including the mix and amount of cash and equity. Shareholders will have final approval over whether directors receive what directors propose. Shareholders will vote on director compensation as disclosed in the proxy statement for a shareholder meeting before the fiscal year in which directors receive that compensation. Stock owned by directors will not count in the vote, so the vote result represents the independent views of shareholders.

We urge shareholders to approve this bylaw amendment and assume proper authority over the compensation of directors who represent us.

Notes:

Please use the title of the proposal in bold in all references to the proposal in the proxy and on the ballot. If there is objection to the title please negotiate or seek no action relief as a last resort.

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

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

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

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

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

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

The stock supporting this proposal will be held until after the annual meeting and the proposal will be presented at the annual meeting. **I intend to continue holding the same required amount of Company shares through the date of the Company's next Annual Meeting of Stockholders as is or will be documented in my ownership proof.**

Please acknowledge this proposal promptly by email [[redacted]].

It is not intend that dashes (–) in the proposal be replaced by hyphens (-).
Please alert the proxy editor.

The color version of the below graphic is to be published immediately after the bold title line of the proposal at the **beginning** of the proposal and be **center justified**.

Please use the title of the proposal in bold in all references to the proposal in the proxy and on the ballot.
If there is objection to the title please negotiate or seek no action relief as a last resort.
Please do not insert any management words between the top line of the proposal and the concluding line of the proposal.

Exhibit B

Delaware Legal Opinion

RICHARDS LAYTON & FINGER
125 YEARS

February 1, 2024

UnitedHealth Group Incorporated
UnitedHealth Group Center
9900 Bren Road East
Minnetonka, Minnesota 55343

Re: Stockholder Proposal on behalf of John Chevedden

Ladies and Gentlemen:

We have acted as special Delaware counsel to UnitedHealth Group Incorporated, a Delaware corporation (the "Company"), in connection with a stockholder proposal (the "Proposal") on behalf of John Chevedden (the "Proponent"), dated December 22, 2023, for the 2024 annual meeting of stockholders of the Company (the "Annual Meeting"). In this connection, you have requested our opinion as to certain matters under the laws of the State of Delaware.

For the purpose of rendering our opinion as expressed herein, we have been furnished with and have reviewed the following documents: (i) the Certificate of Incorporation of the Company as filed with the Secretary of State of the State of Delaware on July 1, 2015 (the "Certificate of Incorporation"); (ii) the Amended and Restated Bylaws of the Company, amended as of February 23, 2021 (the "Bylaws"); and (iii) the Proposal.

With respect to the foregoing documents, we have assumed: (i) the authenticity of all documents submitted to us as originals; (ii) the conformity to authentic originals of all documents submitted to us as copies; (iii) the genuineness of all signatures and the legal capacity of natural persons; and (iv) that the foregoing documents, in the forms thereof submitted to us for our review, have not been and will not be altered or amended in any respect material to our opinion as expressed herein. We have not reviewed any document other than the documents listed above for purposes of rendering this opinion, and we assume that there exists no provision of any such other document that bears upon or is inconsistent with our opinion as expressed herein. In addition, we have conducted no independent factual investigation of our own but rather have relied solely on the foregoing documents, the statements and information set forth therein and the additional factual matters recited or assumed herein, all of which we assume to be true, complete and accurate in all material respects.

THE PROPOSAL

The Proposal states the following:

The Bylaws of UnitedHealth Group Incorporated are amended as follows:

Article III, Section 3.15 is deleted and replaced in its entirety as follows:

Compensation. The Board of Directors may, by resolution, provide that all directors shall receive their expenses, if any, of attendance at meetings of the Board of Directors or any committee thereof. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving proper compensation therefor. The Board of Directors shall not have any authority to fix compensation of directors. The compensation of directors the corporation pays shall be fixed at $1 in a fiscal year; provided, however, the corporation may pay, grant, or award compensation greater than $1 in a fiscal year if such compensation has been (1) disclosed to shareholders in advance of the fiscal year in which the corporation will pay, grant, or award such compensation; (2) submitted to an approval vote of shareholders at an annual or special meeting of shareholders in advance of the fiscal year in the which the corporation will pay, grant, or award such disclosed compensation; and (3) approved by a majority of shareholder votes present in person or represented by proxies and entitled to vote cast in favor of the disclosed annual compensation at an annual or special meeting of shareholders in advance of the fiscal year in which the corporation will pay, grant, or award such compensation, which majority shall include only shareholder votes of shareholders that are not directors of the corporation.

We have been advised that the Company is considering excluding the Proposal from the Company's proxy statement for the Annual Meeting under, among other reasons, Rule 14a-8(i)(2) promulgated under the Securities Exchange Act of 1934, as amended. Rule 14a-8(i)(2) provides that a registrant may omit a proposal from its proxy statement when "the proposal would, if implemented, cause the company to violate any state, federal, or foreign law to which it is subject." In this connection, you have requested our opinion as to whether, under Delaware law, the Proposal, if adopted by the Company's stockholders, would violate Delaware law.

DISCUSSION

The Proposal would violate Delaware law if implemented.

The Proposal proposes to amend the Bylaws to eliminate the authority of the Board to fix director compensation and fixes director compensation at $1 per fiscal year unless, prior to the beginning of the fiscal year, payment of greater compensation is approved by majority vote of the stockholders, other than stockholders who are also directors of the Company. For the reasons set forth below, it is our opinion that the Proposal, if approved by the stockholders, would violate Delaware law because it would (i) eliminate the authority of the Board to set director compensation under Section 141(h) of the General Corporation Law of the State of Delaware (the "General Corporation Law") and (ii) divest directors of their right to vote as stockholders in violation of Section 212(a) of the General Corporation Law.

The Proposal Impermissibly Eliminates the Board's Authority to Fix Director Compensation under Section 141(h)

Section 141(h) of the General Corporation Law provides that, "[u]nless otherwise *restricted* by the certificate of incorporation or the bylaws, the board of directors shall have the authority to fix the compensation of directors." 8 *Del. C.* § 141(h) (emphasis added). Thus, the Board has the authority to set director compensation unless the Charter or Bylaws contain a restriction on that authority. *Id.* The Proposal mandates a provision of the Bylaws that does not restrict the Board's authority to set director compensation but rather eliminates it entirely. The Delaware courts have indicated that "restrict[]" is not synonymous with "eliminate." *See Gotham Partners, L.P. v. Hallwood Realty Partners, L.P.*, 817 A.2d 160, 167-68 (Del. 2002).[1] In *Gotham Partners, L.P.*, the Delaware Supreme Court "in the interest of avoiding the perpetuation of a questionable statutory interpretation that could be relied upon adversely by courts, commentators and practitioners in the future[,]" noted that the statutory provision in Delaware's Limited Partnership Act that permitted a person's duties and liabilities to be "expanded and restricted" in a partnership agreement did not permit such duties and liabilities to be "eliminate[d]" in the partnership agreement.[2] *Id.*; *see also State ex rel. Lucey v. Terry*, 39 Del. 32, 40 (Del. Super. Nov.

---

[1] If the Delaware legislature intended for Section 141(h) to permit a provision in the certificate of incorporation or bylaws to eliminate the board's authority to fix director compensation, the language of Section 141(h) could have expressly so provided. *See* 8 *Del. C.* § 102(b)(7) (permitting corporations to include a provision in their certificates of incorporation "*eliminating* or limiting" the personal liability of directors and officers in certain circumstances) (emphasis added); 6 *Del. C.* § 18-1101(e) (permitting limited liability company agreements to provide for "the limitation or *elimination*" of liabilities for breaches of contract or duties) (emphasis added).

[2] We note that, following the Court's decision in *Gotham Partners, L.P.*, the Limited Partnership Act was amended to expressly allow for elimination of fiduciary duties. *See* 6 *Del. C.* § 17-1101(d) ("the partner's or other person's duties may be expanded or restricted *or eliminated* by the provisions in the partnership agreement") (emphasis added).

15, 1937) (noting that "restrict" means "to restrain within bounds; to limit to confine").[3] Section 109(b) of the General Corporation Law provides that a bylaw provision that is contrary to statute is void. 8 *Del. C.* § 109(b) ("bylaws may contain any provision, not inconsistent with law or with the certificate of incorporation, relating to the business of the corporation, the conduct of its affairs, and its rights or powers or the rights or powers of its stockholders, directors, officers or employees."); *See, e.g. Datapoint Corp. v. Plaza Securities Co.*, 496 A.2d 1031, 1032 (Del. 1985) (holding that a bylaw that conflicts with the General Corporation Law was unenforceable). Because the Bylaw contemplated by the Proposal eliminates the Board's authority to fix director compensation, it violates Section 141(h) and Section 109(b)[4] of the General Corporation Law and is therefore invalid.[5]

The Proposal Impermissibly Defeases Certain Stockholders of Voting Power under Section 212(a) of the General Corporation Law and the Certificate of Incorporation

Section 212(a) of the General Corporation Law provides that, "[u]nless otherwise provided in the certificate of incorporation and subject to § 213 of [the General Corporation Law],[6] each stockholder shall be entitled to 1 vote for each share of capital stock held by such stockholder." 8 *Del. C.* § 212(a). Significantly, if there is to be any variation from the mandate of one vote per share of Section 212(a), it can only be as "otherwise provided in the certificate of incorporation." *Id.*; *Colon*, 305 A.3d at 361 ("Section 212(a) provides that if the certificate of incorporation is otherwise silent, then each share of stock carries one vote by default."). The Certificate of Incorporation does not provide for any variation from the one vote per share mandate of Section 212(a) and the phrase "except as otherwise provided by the certificate of incorporation"

---

[3] *See also* Shorter Oxford English Dictionary (5th ed. 2002) (defining "restrict" as "to limit, bound, confine"); Webster's New College Dictionary (3rd ed. 2005) (defining "restrict as "to hold within limits; confine").

[4] In addition, the Delaware courts have consistently held that the function of a corporation's bylaws is to establish the processes and procedures under which business decisions are made and not to mandate substantive business decisions. *See, e.g.*, *CA, Inc. v. AFSCME Employees Pension Plan*, 953 A.2d 227, 234-35 (Del. 2008) ("It is well-established Delaware law that a proper function of bylaws is not to mandate how the board should decide specific substantive business decisions, but rather, to define the process and procedures by which those decisions are made"). The bylaw provision contemplated by the Proposal imposes substantive limitations on the Board's and the Company's powers.

[5] Similarly, "restrict" is not synonymous with "fix." Because the Bylaw provision contemplated by the Proposal fixes director compensation at $1 and the Board has no discretion to change it unless approved in advance by certain stockholders, the Proposal would also violate Section 141(h) of the General Corporation Law.

[6] Section 213 refers to provisions of the General Corporation Law governing record dates "and makes clear that the voting power that a stockholder can exercise is subject to the stockholder owning the shares on the record date used to determine the stockholders can vote." *Colon v. Bumble, Inc.*, 305 A.3d 352, 363 (Del. Ch. 2023); 8 *Del. C.* § 213.

does not include Bylaws adopted by Section 109 of the General Corporation law. *See, e.g. Jones Apparel Group, Inc. v. Maxwell Shoe Co., Inc.*, 883 A.2d 837, 848 (Del. Ch. 2004) (finding that when a statutory provision (like Section 212(a)) is subject only to opt-outs "otherwise provided in the certificate of incorporation," the language operates as a "by-law excluder in the sense that those words make clear that the specific grant of authority in that particular statute is one that can be varied only by charter and therefore indisputably not one that can be altered by a § 109 bylaw").[7] Thus, in accordance with Delaware law and the Certificate of Incorporation, each of the Company's stockholders (including stockholders who are also directors) is entitled to one vote for each share of common stock held (as of the applicable record date) on *all* matters submitted to a vote of the stockholders. Because the bylaw contemplated by the Proposal attempts to vary the one vote per share mandate of Section 212(a) by defeasing any stockholder who is also a director of any voting power with respect to matters regarding director compensation that are submitted for approval of the stockholders, it violates Section 212(a) of the General Corporation Law and therefore is invalid.

CONCLUSION

Based upon and subject to the foregoing and subject to the limitations stated herein, it is our opinion that the Proposal, if implemented, would violate Delaware law.

The foregoing opinion is limited to the laws of the State of Delaware. We have not considered and express no opinion on the laws of any other state or jurisdiction, including federal laws regulating securities or any other federal laws, or the rules and regulations of stock exchanges or of any other regulatory body.

The foregoing opinion is rendered solely for your benefit in connection with the matters addressed herein. We understand that you may furnish a copy of this opinion letter to the Securities and Exchange Commission and to the Proponent in connection with the matters addressed herein, and we consent to your doing so. Except as stated in this paragraph, this opinion letter may not be furnished or quoted to, nor may the foregoing opinion be relied upon by, any other person or entity for any purpose without our prior written consent.

Very truly yours,

Richards, Layton & Finger, P.A.

MDA/JJV

[7] Indeed, the Certificate of Incorporation includes a provision that is consistent with Section 212(a) of the General Corporation Law. *See* Certificate of Incorporation, Article IV, Section (b)(2) ("the holders of the [Company's] Common Stock are entitled to one vote of each share held for the election of directors and all matters submitted to a vote of the shareholders of the Corporation").

February 3, 2024

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

 # 1 Rule 14a-8 Proposal
UnitedHealth Group Inc. (UNH)
Shareholder Approval of Director Compensation
John Chevedden
Regarding February 1, 2024 No Action Request
516531

Ladies and Gentlemen:

I write in response to the notice from UnitedHealth Group that it intends to omit from its proxy statement and form of proxy for its 2024 Annual Meeting of Stockholders my stockholder proposal and supporting statement. We have sent a copy of this correspondence to UnitedHealth Group.

UnitedHealth Group asserts three bases for excluding the proposal:

1. Implementation of the proposal will cause UnitedHealth Group to violate Delaware law (Rule 14a-8(i)(2))
2. UnitedHealth Group lacks the power and authority to implement the proposal (Rule 14a-8(i)(6)
3. The proposal deals with matters related to UnitedHealth Group ordinary business operations (Rule 14a-8(i)(7)).

This letter rebuts those bases and urges the SEC to seek an enforcement action if UnitedHealth Group so omits the proposal.

The first two bases constitute a single basis, namely the proposal will cause UnitedHealth Group to violate Delaware law. In the second listed basis, UnitedHealth Group asserts it lacks the power and authority to implement the proposal because doing so will violate Delaware law. Below, we rebut both bases together in demonstrating that the proposal does not violate Delaware law. UnitedHealth Group asserts the proposal will violate Delaware law in two ways: it would "eliminate the Board's authority to fix director compensation" and "defease certain shareholders of voting power".

In the argument for the second listed basis, UnitedHealth Group also asserts it lacks the power and authority to implement it because it will cause it to "breach its contractual obligations under its existing director compensation programs". We address this basis separately below.

We also address the third basis, ordinary business operations.

1. **Violation of Delaware Law**

Fix director compensation

Delaware law allows the proposed bylaw term that restricts the Board in setting director compensation.

UnitedHealth Group argument: UnitedHealth Group asserts the proposal will "eliminate" the "power [of directors] to determine director compensation". This allegedly violates Delaware law in that it "eliminates … entirely" the Board authority to set director compensation, rather than merely "restrict" it, as UnitedHealth Group reads Delaware statute to allow.

Rebuttal: The proposal hardly "eliminates" Board authority to set director compensation. In fact, the proposal allows the Board to design and recommend, in whatever structure and amount it wishes, in whatever detail the Board desires, the proposed director compensation for a fiscal year. It must then disclose whatever it designs, submit that design to a vote, and win a majority of shares voting. The bylaw term does not prescribe any element or detail of director compensation, nor does it provide in any way for shareholders to so prescribe. It merely provides for shareholders to vote on and approve whatever compensation the Board discloses, which does "restrict" the Board.

Defease director shareholders

Delaware law prioritizes resolving director conflict of interest in setting director compensation over directors voting as shareholders on director compensation.

UnitedHealth Group Argument

UnitedHealth Group asserts implementing the proposal would cause it to violate Delaware law. Specifically, the proposal will disenfranchise directors that also own UnitedHealth Group shares, since those directors cannot vote those shares in the required stockholder vote on director compensation. It explains that Delaware law generally provides all stockholders with "one vote for each share". Any directors that are also stockholders will then not have the opportunity to vote in the matter of director compensation.

Rebuttal

We acknowledge the bylaw amendment in the proposal disenfranchises corporate directors that also own shares in the corporation. That's the point. As indicated in the Supporting Statement, if the directors do not vote on their own compensation, then the "vote result represents the independent views of stockholders."

Also, it is so patently obvious that there is no greater conflict of interest than when directors design and approve their own compensation that we need not prove this any further. Directors are inherently conflicted in this matter. Delaware law provides a mechanism for overcoming this conflict.

Delaware law restricts how corporate directors, regardless of whether and how many shares they own in the corporation, decide on matters in which they have a material interest. In this instance, we can interpret Delaware law to allow a bylaw term that prevents corporate

directors from voting, *as shareholders*, on their own compensation. Delaware law places a higher priority on limiting the impact of that personal interest than on preserving the right of a director to vote, as a shareholder, on that compensation.

Under various circumstances, Delaware law also restricts how shareholders decide on many matters in which they have a material interest. It follows that Delaware law would restrict directors *as shareholders* in how they vote on the specific matter of their own compensation.

There is no guidance, in Delaware statue or case law, that pertains to corporate directors voting on their own compensation *as shareholders*. To our knowledge, the law that pertains to shareholder votes on director compensation do not address in any way how directors *as shareholders* can vote on director compensation. Thus, we must infer how Delaware law would apply to this bylaw term from other similar instances of how that law would apply. We consider how Delaware law applies to specific director compensation votes and to general director conflicts.

Specific director compensation votes

Delaware law does prescribe how corporate directors vote on their own compensation, *as directors* rather than *as shareholders*. It also provides some guidance about how all shareholders vote on director compensation. Overall, this law prescribes strict limits on these votes.

Director votes on director compensation

Statute: Delaware statute does allow corporations to compensate directors (DGCL Section 141(h)). This section also allows corporate bylaws to restrict this compensation, as this proposal provides. Otherwise, statute is silent as to director compensation.

Case law: Delaware case law also limits how directors can approve their own compensation. These limits pertain to directors approving this compensation as a voting member of the corporate board of directors, rather than as a shareholder. In many of these cases the director is also a shareholder, and the court still restricts the directors' discretion to approve their own compensation.

Typically, the limit involves having independent shareholders approve director compensation. The general principle is, "a majority of fully informed, uncoerced, and *disinterested* stockholders" (our emphasis) are needed to approve director compensation, as stated most recently and forcefully in *Investors Bancorp*. Directors that are stockholders in the corporation would not be disinterested, and thus would not have a vote on their own compensation.

Shareholder votes on director compensation

Statute: Delaware statute makes no provision for shareholders to vote on director compensation. Instead, it allows corporate bylaws to restrict director compensation in whatever way shareholders deem appropriate, including with a binding shareholder vote on compensation, as in this proposal.

Case law: Like statute, there are very few cases that pertain to whether, when, and how shareholders vote on director compensation. *Investors Bancorp* is the most recent and

forceful case. As noted above, that case does provide for a binding vote of disinterested shareholders to approve compensation.

General director independence and conflicts
Delaware law addresses director independence in many ways. Overall, it places a high priority on assuring directors decide in ways that favor the corporation interest over their own, including not voting on the decision. Delaware law addresses those votes in the director capacity as a member of the board of directors, rather than as a shareholder.

Delaware law also provides for assuring shareholders with conflicts decide matters in ways that do not unduly favor their own interest relative to other shareholders. To our knowledge, Delaware law does not provide for limits on directors voting *as shareholders* on matters where they may have a conflict, beyond the general limits on all shareholders on such matters.

As a voting member of the board of directors

Statute: For decisions where a director may have a conflict, Delaware statute clearly requires approval of only "disinterested" directors (DGCL Section 144(a)(1)). While statute is not specific about the nature and kinds of decisions, it refers to "transactions" with directors, and director compensation is clearly a "transaction". It follows that since directors are not "disinterested" in deciding on their own compensation, then shareholders may prevent, through the corporate bylaws, directors from voting on that compensation.

Case law: Delaware cases further emphasizes director independence. Numerous cases address the process by which directors decide on many matters, and all limit or prevent conflicted directors from voting on such decisions.

As a shareholder

Delaware law compels a shareholder to abstain from a vote in certain cases of a direct and material conflict of interest. In this sense, the proposal codifies this law in UnitedHealth Group bylaws in the matter of director compensation.

Statute: Delaware statute is largely silent as to whether, when, and how shareholders can vote on a matter in which the shareholder has a conflict.

Case law: Numerous cases limit or prevent a shareholder from voting on a corporate matter in which they have a specific conflict. Almost all cases involve defining the nature and extent of conflict, and the extent of ownership needed to put a shareholder in a position of having a material influence over a shareholder vote. Directors that are also shareholders have a clear conflict in voting on their own compensation, and these cases would serve to limit a director voting, as a shareholder, on their own compensation.

Conclusion

We concur this proposal will disenfranchise UnitedHealth Group directors as shareholders. At the same time, directors have a clear, inherent conflict of interest in designing and approving their own compensation.

Delaware law will allow a bylaw amendment that prevents directors from voting, *as shareholders*, on their own compensation. Statue and case law favors addressing this clear conflict over whatever rights directors have as shareholders. That law allows UnitedHealth Group to codify in its bylaws a standard practice of directors and shareholders abstaining from decisions for which they have a conflict of interest.

Thus, proposal does not violate Delaware law. We expect Delaware Chancery Court would find the bylaw valid.

Alternatively, we request UnitedHealth Group allow me to amend slightly the proposal as submitted to indicate it pertains to compensation for fiscal years beginning after approval of the proposal. The SEC routinely allows proponents to amend slightly their proposals in this way. We would amend the bylaw amendment to include: "This provision shall be implemented so as not to interfere with any contractual obligations existing on the effective date of the proposal."

2. **Ordinary Business**

UnitedHealth Group asserts the bylaw term will "micromanage the company" and "imposes specific methods for determining director compensation. It thus allegedly represents ordinary business, subject to exclusion under Rule 14a-8(i)(7). Either UnitedHealth Group did not read the proposal closely, or misstates and misunderstands, inadvertently or willfully, the contents of the proposal. UnitedHealth Group fails to show how the specific bylaw term, providing for a shareholder vote on director compensation, represents ordinary business.

After an exhaustive recitation of the precedent about the ordinary business exception (p. 5-6), UnitedHealth Group says the bylaw term "completely eliminates the discretion of the Board to determine director compensation". If we take "determine" to mean "approve", then this is true: approving director compensation will lie exclusively with shareholders, who will have final, restrictive authority over that compensation.

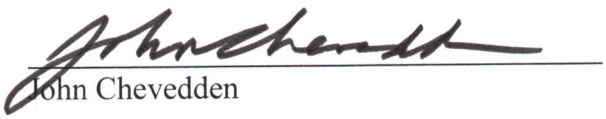
UnitedHealth Group then makes two arguments, following two general principles the SEC uses in assessing whether a proposal represents "ordinary business". First, it asserts the proposal "limits discretion of the board." Second, the proposal is "too complex" for shareholders to decide on.

Board discretion: As for the first principle, UnitedHealth Group asserts the proposal "completely eliminates the discretion of the Board to determine director compensation". If we take "determine" to mean design and recommend, in whatever structure and amount it wishes, in whatever detail the Board desires, the proposed director compensation for a fiscal year, then the proposal does not remove any such discretion. The Board can design whatever compensation plan it wishes, without any restriction from shareholders. It must then disclose whatever it designs, submit that design to a vote, and win a majority of shares voting. The bylaw term does not prescribe any element or detail of director compensation, nor does it provide in any way for shareholders to so prescribe. It merely provides for shareholders to vote on and approve whatever compensation the Board discloses.

Too complex for shareholders: As for the second principle, UnitedHealth Group asserts the bylaw term probes "too deeply into matters about which shareholders as a group are not in a position to make an informed judgment." UnitedHealth Group fails to show in any way how director compensation is too complex a subject for shareholders to vote on. We note

shareholders now vote annual on executive compensation, a subject of at least as much and probably deeper complexity.

Sincerely,



John Chevedden

cc: Rupert Bondy

[UNH: Rule 14a-8 Proposal, December 22, 2023| Revised December 22, 2023]
[This line and any line above it – *Not* for publication.]

Proposal 4 – Bylaw Amendment: Shareholder Approval of Director Compensation

The Bylaws of UnitedHealth Group Incorporated are amended as follows:

Article III, Section 3.15 is deleted and replaced in its entirety as follows:

Compensation. The Board of Directors may, by resolution, provide that all directors shall receive their expenses, if any, of attendance at meetings of the Board of Directors or any committee thereof. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving proper compensation therefor. The Board of Directors shall not have any authority to fix the compensation of directors. The compensation of directors the corporation pays shall be fixed at $1 in a fiscal year; provided, however, the corporation may pay, grant, or award compensation greater than $1 in a fiscal year if such compensation has been (1) disclosed to shareholders in advance of the fiscal year in which the corporation will pay, grant, or award such compensation; (2) submitted to an approval vote of shareholders at an annual or special meeting of shareholders in advance of the fiscal year in which the corporation will pay, grant, or award such disclosed compensation; and (3) approved by a majority of shareholder votes present in person or represented by proxies and entitled to vote cast in favor of the disclosed annual compensation at an annual or special meeting of shareholders in advance of the fiscal year in which the corporation will pay, grant, or award such compensation, which majority shall include only shareholder votes of shareholders that are not directors of the corporation.

Supporting statement

UnitedHealth shareholders seek an independent Board of Directors, one that has as its sole objective representing shareholders without conflict of interest. One interest pertains to compensation and how UnitedHealth compensates directors for board service. Shareholders seek the authority to approve compensation that directors receive from UnitedHealth.

Shareholders want and need authority over how and how much UnitedHealth compensates directors. If shareholders approve compensation, then directors have the greatest incentive to work in the sole interest of shareholders. Currently, directors design and approve compensation with no approval from shareholders. Directors receive whatever compensation they desire. This bylaw amendment corrects this problem.

The bylaw amendment provides for a shareholder vote on director compensation. Directors can continue to design and propose compensation structure and amount, including the mix and amount of cash and equity. Shareholders will have final approval over whether directors receive what directors propose. Shareholders will vote on director compensation as disclosed in the proxy statement for a shareholder meeting before the fiscal year in which directors receive that compensation. Stock owned by directors will not count in the vote, so the vote result represents the independent views of shareholders.

We urge shareholders to approve this bylaw amendment and assume proper authority over the compensation of directors who represent us.