



DIVISION OF  
CORPORATION FINANCE

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

March 29, 2024

Tammy Knight  
Holland & Knight LLP

Re: Conduent Incorporated (the "Company")  
Incoming letter dated March 1, 2024

Dear Tammy Knight:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by Chris Mueller 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(e)(2) because the Company received it after the deadline for submitting proposals. 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(e)(2). In reaching this position, we have not found it necessary to address the alternative basis 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: Chris Mueller

# Holland & Knight

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March 1, 2024

## **VIA ONLINE SUBMISSION (SEC 14a-8 Portal)**

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

Re: Conduent Incorporated – 2024 Annual Meeting  
Shareholder Proposal of Chris Mueller  
Securities Exchange Act of 1934 – Rule 14a-8

Dear Ladies and Gentlemen:

This letter is submitted on behalf of our client, Conduent Incorporated, a New York corporation (the “Company”), pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The Company requests confirmation that the staff of the Division of Corporation Finance (the “Staff”) of the U.S. Securities and Exchange Commission (the “Commission”) will not recommend enforcement action to the Commission if, in reliance on Rule 14a-8 under the Exchange Act, the Company intends to omit from its proxy materials in connection with its 2024 Annual Meeting of Shareholders (the “2024 Proxy Materials”) the purported shareholder proposal and supporting statement (the “Proposal”) submitted by Chris Mueller (the “Proponent”).

Pursuant to Rule 14a-8(j) under the Exchange Act, we have:

- filed this letter with the Commission, with the request that the Staff waive the eighty (80) calendar day requirement set forth in Rule 14a-8(j)(1) with respect to this letter for good cause; and
- concurrently sent copies of this letter to the Proponent.

In accordance with relevant Staff guidance, this letter is being submitted using the Commission’s online shareholder proposal form.

Rule 14a-8(k) under the Exchange Act and Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”) provide that shareholder proponents are required to send companies a copy of any correspondence that they elect to submit to the Commission or 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**

On February 2, 2024, the Company received the Proposal from the Proponent, which states in relevant part as follows:

*“Conduent Incorporated should disclose registered shareholder share totals on 10-Q and 10-K reports. Registered share totals should include separate tallies of shares held by investors in DRS and DSPP form (and Cede if possible). In addition, our company should upgrade its investment plan, and move away from Computershare’s boilerplate DirectStock plan.”*

A copy of the Proposal is attached to this letter as Exhibit A.

### **BACKGROUND**

The Proposal is dated as of Sunday, January 28, 2024, however, the Company received the Proposal in its executive offices on Friday, February 2, 2024 via United States Postal Service certified mail. After internal inquiry with the personnel in the Company’s mailroom, the Company found no evidence that the Proposal had been received at any time prior to Friday, February 2, 2024.

### **BASES FOR EXCLUSION**

On behalf of our client, we hereby respectfully request that the Staff concur in our view that the Proposal may be excluded from the 2024 Proxy Materials in reliance on:

- Rule 14a-8(e) under the Exchange Act because the Company did not receive the Proposal from the Proponent before the deadline by which shareholder proposals were required to be submitted to the Company for inclusion in the 2024 Proxy Materials; and
- Rule 14a-8(i)(7) under the Exchange Act because the Proposal deals with a matter relating to the Company’s ordinary business operations.

## ANALYSIS

### **I. The Proposal May be Excluded from the Company’s 2024 Proxy Materials Pursuant to Rule 14a-8(e) Because the Company Did Not Receive the Proposal Before the Required Deadline for Submitting Shareholder Proposals.**

The Company respectfully requests that the Staff concur that the Proposal may be properly excluded from the 2024 Proxy Materials pursuant to Rule 14a-8(e) because the Company did not receive the Proposal from the Proponent before December 13, 2023, the deadline for submitting shareholder proposals to the Company, which was calculated in accordance with Rule 14a-8(e)(2). Such deadline was clearly disclosed in the Company’s Proxy Statement filed with the Commission on April 11, 2023 in connection with its 2023 Annual Meeting of Shareholders (the “2023 Proxy Statement”), as follows:

*“Under SEC proxy rules, if a shareholder wants us to include a proposal in our Proxy Statement and proxy card for the 2024 Annual Meeting of Shareholders, the proposal must be received by us no later than **December 13, 2023**. (emphasis added)”*

However, the Proposal was not received by the Company prior to the December 13, 2023 deadline. In fact, the Proposal itself is dated as of January 28, 2024, which is clear evidence that the Proponent did not submit the Proposal in a timely manner (notwithstanding the date the Company actually received it). Staff Legal Bulletin No. 14 (July 13, 2001) (“SLB 14”) emphasizes that “[t]o avoid exclusion on the basis of untimeliness, a shareholder should submit his or her proposal well in advance of the deadline...”

The Company did not receive the Proposal until Friday, February 2, 2024, which is 51 days after the December 13, 2023 deadline for submission of proposals had passed and the Proposal itself is dated as of Sunday, January 28, 2024, which is 46 days after the December 13, 2023 deadline for submission of proposals had passed. Thus, the Proponent did not submit the proposal “well in advance of the deadline.”

Finally, Rule 14a-8(f) under the Exchange Act states that a company need not provide a proponent with notice of a deficiency if the deficiency cannot be remedied, such as if the proponent fails to submit a proposal by the company’s properly determined deadline. Because the failure to timely submit a shareholder proposal is a deficiency that cannot be remedied, the Company was not required to provide the Proponent with the 14-day notice and an opportunity to cure under Rule 14a-8(f) in order to exclude the proposal under Rule 14a-8(e).

The Company therefore requests that the Staff concur that the Proposal may properly be excluded from the 2024 Proxy Materials because it was not properly submitted to the Company within the time frame required under Rule 14a-8(e).

**II. The Proposal May Be Excluded from the Company's 2024 Proxy Materials Pursuant to Rule 14a-8(i)(7) Because It Relates to the Company's Ordinary Business.**

Rule 14a-8(i)(7) permits a company to exclude a shareholder proposal if the proposal “deals with a matter relating to the company’s ordinary business operations.” 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.” SEC Release No. 34-40018 (May 21, 1998) (the “1998 Release”). The 1998 Release stated that there are two “central considerations” underlying the ordinary business exclusion. One consideration is 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.” The second consideration is “the degree to which a shareholder 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 Proposal runs afoul of both of these considerations.

The Proposal may be excluded pursuant to Rule 14a-8(i)(7) because it relates to how management should run the Company’s business and is an attempt to “micro-manage” the Company. The Staff has permitted exclusion under Rule 14a-8(i)(7) of shareholder proposals that seek to “micro-manage” a company. See, e.g., *GameStop Corp.* (April 25, 2023) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting the company to make public certain information regarding shareholder ownership, including number of shares directly registered to shareholders, number of shareholders, and number of shares held by CEDE & Co. or banks/brokers, noting that such proposal “seeks to micromanage the company”). Similar to the GameStop no-action letter, the Proposal requests disclosure of registered shareholder totals, separated by the form of stock ownership, which is a clear attempt to micromanage the Company.

The Proposal also requests that the Company move away from the Company’s stock transfer agent and directly names Computershare and its “boilerplate DirectStock plan”. The 1998 Release specifically mentions that “the retention of suppliers” is an example of a task that is fundamental to management’s ability to run a company. Using similar rationale, management’s ability to select third-party providers to perform key services for the Company, such as the selection of the Company’s transfer agent, and determining what services are provided from such third parties, are (i) decisions directly related to the Company’s business, (ii) the responsibility of many individuals across the Company and (iii) fundamental to management’s ability to run the Company on a day-to-day basis. These types of decisions involve a broad range of business considerations and none is appropriate for direct oversight by shareholders who lack the requisite day-to-day familiarity with the business. Were such decisions subject to direct shareholder oversight, the Company would be significantly hindered in its day-to-day operations. The Proposal

is ultimately an attempt to micro-manage the Company and should be excluded under the ordinary business exclusion.

Additionally, the Proposal seeks to force the Company to provide additional disclosure regarding stockholder ownership in reports filed with the Commission. Consistent with the policy considerations underlying the ordinary business exclusion, the Staff has consistently permitted exclusion under Rule 14a-8(i)(7) of shareholder proposals that relate to the presentation of disclosure in a company's reports to shareholders. See, e.g., *Dominion Resources, Inc.* (Oct. 7, 1997) (permitting exclusion under Rule 14a-8(c)(7) under the Exchange Act of a proposal mandating that the company supplement its proxy statement with additional management compensation disclosures, noting that "the proposal may be omitted under rule 14a-8(c)(7) (i.e., presentation of disclosure in the [c]ompany's reports to shareholders)"); *Long Island Lighting Co.* (Feb. 22, 1996) (permitting exclusion under Rule 14a-8(c)(7) of a proposal requesting that the company expand the disclosure in its proxy statement to include data on stock price, the consumer price index, the common stock dividend, average company worker salary and total CEO compensation, noting that "the proposal relates to the conduct of the ordinary business of the registrant and therefore may be excludable under Rule 14a-8(c)(7) (i.e., presentation of disclosure in the [c]ompany's reports to shareholders)"); and *Santa Fe Southern Pacific Corp.* (Jan. 14, 1988) (permitting exclusion under Rule 14a-8(c)(7) of a proposal requesting that the company's proxy statement "provide explanations and definitions of terms," noting that the proposal "appears to deal with a matter relating to the conduct of the [c]ompany's ordinary business operations (i.e., the technical preparation of company reports)").

The Proposal also does not involve a significant policy issue. As set out in the 1998 Release, proposals "focusing on sufficiently significant social policy issues (e.g., significant discrimination matters) generally would not be considered to be excludable [under Rule 14a-8(i)(7)], 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." Accordingly, and as is appropriate, an issue must meet certain standards to be deemed a significant policy issue. In determining whether an issue should be deemed a significant policy issue, the Staff considers whether the issue has been the subject of widespread and/or sustained public debate. The issues of whether the Company should disclose registered holder information or continue utilizing Computershare as a service provider does not meet this standard, as the Company is not aware of any widespread or sustained public debate regarding such issues. This is especially true given that the Company publicly discloses beneficial stock ownership by significant stockholders, as well as the number of record owners of the Company's stock, as required by applicable Commission rules and regulations. Additionally, the Proposal seeks to act as an aggressive marketing campaign against Computershare, which not only fails to be a significant policy issue, but is also an abuse of the shareholder proposal process.

Ultimately, the Proposal involves precisely the type of matter that is consistently deemed excludable under Rule 14a-8(i)(7) and which this exclusion is intended to address. Accordingly,

because the Proposal involves the Proponent's attempt to "micro-manage" the Company and covers the type of day-to-day operational oversight of the Company's business that the ordinary business exclusion in Rule 14a-8(i)(7) was meant to address, the Proposal should be deemed excludable pursuant to Rule 14a-8(i)(7), consistent with the above-cited no-action letters.

### **REQUEST FOR WAIVER UNDER RULE 14a-8(j)(1)**

The Company further requests that the Staff waive the 80-day filing requirement set forth in Rule 14a-8(j) for good cause. Rule 14a-8(j)(1) requires that if a 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." However, Rule 14a-8(j)(1) allows the Staff, in its discretion, to permit a company to make its submission later than 80 days before the filing of its definitive proxy statement if the company demonstrates good cause for missing the deadline. The Company is currently preparing its Proxy Statement in connection with the 2024 Annual Meeting and intends to file it with the Commission on or about April 3, 2024, and therefore, the date of this letter is less than 80 calendar days from such filing date. As explained above, the Company did not receive the Proposal until Friday, February 2, 2024 and the Proposal itself is dated as of Sunday, January 28, 2024. The personnel in the Company's mail room reviewed the mail received in its mail room to confirm that the Company was not in receipt of the Proponent's proposal prior to Friday, February 2, 2024, as discussed above. This letter was submitted to the Commission for consideration as promptly as practicable under the circumstances. Accordingly, we believe the Company has "good cause" for its inability to meet the 80-day requirement, and we respectfully request that the Staff waive the 80-day requirement with respect to this letter.

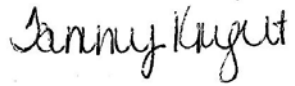
### **CONCLUSION**

Based on the foregoing analysis, we respectfully request that the Staff concur that it will take no action if the Company excludes the Proposal from its 2024 Proxy Materials. We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. If we can be of any further assistance in this matter, please do not hesitate to call me at (954) 468-7939, or by email at [tammy.knight@hklaw.com](mailto:tammy.knight@hklaw.com). Alternatively, you may contact Michael Krawitz, the Company's EVP, General Counsel and Secretary, at (973) 526-7152, or by email at [michael.krawitz@conduent.com](mailto:michael.krawitz@conduent.com).

Office of Chief Counsel  
Division of Corporation Finance  
March 1, 2024  
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Sincerely yours,

HOLLAND & KNIGHT LLP

A handwritten signature in black ink that reads "Tammy Knight". The signature is written in a cursive style with a large initial "T".

Tammy Knight

Enclosures

cc: Chris Mueller



Exhibit A:

The Proposal

[see attached]

January 28, 2024

Conduent Incorporated  
100 Campus Drive, Suite 200  
Florham Park, NJ 07932

Members of the board.

My name is Chris Mueller, and I would like to submit a shareholder proposal for the 2024 annual shareholder meeting. I am an individual investor with a directly registered ownership position in our company. I intend to hold my position through the date of the 2024 annual shareholder meeting. I would be happy to meet with the board to discuss my proposal at any time.

**My proposal: Conduent Incorporated should disclose registered shareholder share totals on 10-Q and 10-K reports. Registered share totals should include separate tallies of shares held by investors in DRS and DSPP form (and Cede if possible). In addition, our company should upgrade its investment plan, and move away from Computershare's boilerplate DirectStock plan.**

Several issuers already disclose registered share totals with a couple sentences on each 10-Q or 10-K report. Registered holders are passionate and loyal investors who disclose their personal information to and desire a direct and close relationship with the company they invest with. Registered holder information is of material interest to investors who want to track distribution and commitment of an investor base, and can inspire more long term investors.

Regarding the investment plan, there are several reasons why we should upgrade. First - DirectStock plan does not allow hybrid holding methods in a single account. All accounts are either fully enrolled or fully not enrolled in the plan. Accounts NOT enrolled are "all DRS" (owned exclusively by the investor). By comparison, accounts that are fully enrolled are what Computershare calls DSPP consisting of "shares that underpin the plan".

Second, recurring buys through DirectStock plan are scheduled and predictable - making them prone to arbitrage and manipulation. The purchases tend to be processed through a single broker-dealer (often BofA Securities) and they tend to happen T+3 from the 1<sup>st</sup> and 15<sup>th</sup> (excluding weekends and bank holidays). The 2024 dates that these purchases will likely occur for our company are: Jan 5, Jan 19, Feb 6, Feb 21, Mar 6, Mar 20, April 4, April 18, May 6, May 20, June 6, June 21, July 5, July 18, Aug 6, Aug 20, Sept 6, Sept 19, Oct 4, Oct 18, Nov 6, Nov 21, Dec 5, and Dec 19.

Upgrading our investment plan would allow Conduent Incorporated the ability to allow hybrid registered holding methods and meet the needs of materially interested long term retail investors. It would also allow for our company to either put an end to the predictable and vulnerable recurring purchases, or make sure they are less predictable and vulnerable. While it would represent an additional cost, sponsoring and administering a customized plan will be worth it.

Thank you for your time,



Chris Mueller

PII

