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

DIVISION OF
CORPORATION FINANCE

March 3, 2025

Marc S. Gerber
Skadden, Arps, Slate, Meagher & Flom LLP

Re: Johnson & Johnson (the "Company")
Incoming letter dated November 22, 2024

Dear Marc S. Gerber:

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

The Proposal requests the board of directors adopt a policy, and amend the bylaws as necessary, requiring Company directors to disclose their expected allocation of hours among all active commitments/positions, including paid jobs and voluntary engagements, set forth in the director's proxy statement bio on a weekly, monthly, or annual basis.

There appears to be some basis for your view that the Company may exclude the Proposal under Rule 14a-8(i)(7). In our view, the Proposal seeks to micromanage the Company. 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)(7).

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/2024-2025-shareholder-proposals-no-action.

Sincerely,

Rule 14a-8 Review Team

cc: Stefan Padfield
National Center for Public Policy Research

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
1440 NEW YORK AVENUE, N.W.
WASHINGTON, D.C. 20005-2111

TEL: (202) 371-7000
FAX: (202) 393-5760
www.skadden.com

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TORONTO

DIRECT DIAL
202-371-7233
DIRECT FAX
202-661-8280
EMAIL ADDRESS
MARC.GERBER@SKADDEN.COM

VIA STAFF ONLINE FORM

November 22, 2024

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

RE: Johnson & Johnson – 2025 Annual Meeting
Omission of Shareholder Proposal of
National Center for Public Policy Research

Ladies and Gentlemen:

Pursuant to Rule 14a-8(j) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), we are writing on behalf of our client, Johnson & Johnson, a New Jersey corporation, to request that the Staff of the Division of Corporation Finance (the "Staff") of the U.S. Securities and Exchange Commission (the "Commission") concur with Johnson & Johnson's view that, for the reasons stated below, it may exclude the shareholder proposal and supporting statement (the "Proposal") submitted by the National Center for Public Policy Research (the "Proponent") from the proxy materials to be distributed by Johnson & Johnson in connection with its 2025 annual meeting of shareholders (the "2025 proxy materials").

In accordance with relevant Staff guidance, we are submitting this letter and its attachments to the Staff through the Staff's online Shareholder Proposal Form. In accordance with Rule 14a-8(j), we are simultaneously sending a copy of this letter and its attachments to the Proponent as notice of Johnson & Johnson's intent to omit the Proposal from the 2025 proxy materials.

Rule 14a-8(k) and Section E of Staff Legal Bulletin No. 14D (Nov. 7, 2008) provide that shareholder proponents are required to send companies a copy of any correspondence that the shareholder proponents elect to submit to the Commission or the Staff. Accordingly, we are taking this opportunity to remind the Proponent that if the Proponent submits correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should concurrently be furnished to Johnson & Johnson.

I. The Proposal

The text of the resolution contained in the Proposal is set forth below:

> **RESOLVED**
>
> Shareholders request the Board of Directors to adopt a policy, and amend the bylaws if and as necessary, requiring Company directors to disclose their expected allocation of hours among all active commitments/positions, including paid jobs and voluntary engagements, set forth in the director's proxy-statement bio. Allocation may be on a weekly, monthly, or annual basis. This policy would be phased in for the next election of directors in 2026.

II. Basis for Exclusion

We hereby respectfully request that the Staff concur with Johnson & Johnson's view that it may exclude the Proposal from the 2025 proxy materials pursuant to Rule 14a-8(i)(7) because the Proposal deals with matters relating to Johnson & Johnson's ordinary business operations.

III. Background

Johnson & Johnson received the Proposal via email on November 12, 2024, accompanied by a cover letter from the Proponent, dated November 12, 2024. On November 13, 2024, Johnson & Johnson sent a letter to the Proponent, via email, requesting a written statement from the record owner of the Proponent's shares verifying that the Proponent had beneficially owned the requisite number of shares of Johnson & Johnson common stock continuously for at least the requisite period preceding and including the date of submission of the Proposal, to which the Proponent satisfactorily responded on November 19, 2024. Copies of the Proposal, cover letter and related correspondence are attached hereto as Exhibit A.[1]

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[1] Exhibit A omits correspondence between Johnson & Johnson and the Proponent that is irrelevant to this request, such as the aforementioned deficiency letter and subsequent response. *See* the Staff's "Announcement Regarding Personally Identifiable and Other Sensitive Information in Rule 14a-8

IV. The Proposal May be Excluded Pursuant to Rule 14a-8(i)(7) Because the Proposal Deals with Matters Relating to Johnson & Johnson's Ordinary Business Operations.

Under Rule 14a-8(i)(7), a shareholder proposal may be excluded from a company's proxy materials if the proposal "deals with matters relating to the company's ordinary business operations." In Exchange Act Release No. 34-40018 (May 21, 1998) (the "1998 Release"), the Commission stated that the policy underlying the ordinary business exclusion rests on two central considerations. The first recognizes that certain 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 relates to 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. As demonstrated below, the Proposal implicates this second consideration.

As the Commission has explained, a proposal may attempt to micromanage a company by probing too deeply into matters of a complex nature if, among other things, it "involves intricate detail." *See 1998 Release; see also, e.g., Amazon.com, Inc.* (April 7, 2023). The Commission further noted that "proposals may seek a reasonable level of detail" without crossing the line into micromanagement. *See 1998 Release*. In Staff Legal Bulletin No. 14L (Nov. 3, 2021) ("SLB 14L"), the Staff explained that it will take a "measured approach to evaluating companies' micromanagement arguments," focusing on "the level of granularity sought in the proposal." The Staff further explained that an appropriate level of detail should "be consistent with that needed to enable investors to assess an issuer's impacts, progress towards goals, risks or other strategic matters appropriate for shareholder input."

Consistent with this approach, the Staff has permitted the exclusion of proposals that sought excessive and overly granular detail. For example, in *Deere & Co.* (Jan. 3, 2022), the Staff permitted exclusion under Rule 14a-8(i)(7) of a proposal that requested the annual publication of the "written and oral content of any employee-training materials" offered to the company's employees, noting that the proposal probed "too deeply into matters of a complex nature by seeking disclosure of intricate details regarding the Company's employment and training practices" and thus constituted micromanagement. *See also American Express Co.* (Mar. 11, 2022) (same); *Verizon Communications Inc.* (Mar. 17, 2022) (same). Similarly, in *The Procter & Gamble Company* (Aug. 14, 2024), the Staff permitted exclusion under Rule 14a-8(i)(7) of a proposal that requested the board adopt as policy, and amend the governing documents as necessary, to require each year that director nominees furnish to the company

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Submissions and Related Materials" (Dec. 17, 2021), available at https://www.sec.gov/corpfin/announcement/announcement-14a-8-submissions-pii-20211217.

information about their political and charitable giving, noting that the proposal "seeks to micromanage the Company." *See also Comcast Corp.* (Apr. 16, 2024) (same); *The Home Depot, Inc.* (Mar. 21, 2024) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting that the company provide detailed information on full-time employees, part-time employees and contingent workers paid less than a living wage, noting that the proposal "seeks to micromanage the Company"); *Kohl's Corporation* (Mar. 6, 2024) (same); *GameStop Corp.* (Apr. 25, 2023) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting that the company provide detailed and current information regarding shareholder ownership of the company to the public and also provide a searchable history of this information, noting that the proposal "seeks to micromanage the Company").

Applying the principles described above, the Staff has permitted exclusion under Rule 14a-8(i)(7) of proposals that are virtually identical to the Proposal. For example, in *Johnson & Johnson* (Mar. 1, 2024), the Staff permitted exclusion under Rule 14a-8(i)(7) of a proposal requesting that the board of directors adopt a policy, and amend the bylaws as necessary, requiring directors to disclose their expected allocation of hours among all formal commitments set forth in the director's official bio on a weekly, monthly or annual basis, noting that the proposal "seeks to micromanage the Company." *See also Lowe's Companies, Inc.* (Apr. 8, 2024) (same); *Verizon Communications Inc.* (Mar. 14, 2024) (same). Like those virtually identical proposals that were excluded on the basis of micromanagement, here the Proposal seeks to micromanage Johnson & Johnson by seeking extremely intricate detail and thereby probing too deeply into matters of a complex nature. It does so by requesting that Johnson & Johnson require public disclosure of each Johnson & Johnson director's expected allocation of hours, on a weekly, monthly or annual basis, among all active commitments/positions, including paid jobs and voluntary engagements, set forth in the director's proxy statement bio. This request is inappropriate and wholly inconsistent with the type of information that investors need to assess the fundamental concern of the Proposal, which is director "overboarding."

In this regard, institutional investors, proxy advisory firms and companies have a variety of policies on the topic of director overboarding, and proxy advisory firms and institutional investors have reasonable levels of information on which to make voting recommendations or decisions.[2] In addition, Johnson & Johnson has an overboarding policy—Johnson & Johnson's Principles of Corporate Governance provide that a Johnson & Johnson director who serves as a chief executive officer (or similar position) should not serve on more than two total public company boards, and other Johnson &

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[2] *See, e.g.*, page 5 of BlackRock Investment Stewardship Proxy Voting Guidelines for U.S. Securities (Effective as of January 2024); page 5 of Vanguard-Advised Funds Proxy Voting Policy for U.S. Portfolio Companies (Effective February 2024).

Johnson directors should not serve on more than five total public company boards (in each case, including the Johnson & Johnson board).[3]

Johnson & Johnson's overboarding policy, as well as the voting policies of institutional investors and proxy advisory firms, address the issue of director commitments based on reasonable information that shareholders can assess. The granular information sought by the Proposal, however, goes far beyond the level of information necessary for investors to evaluate whether directors are overcommitted.

We note the Staff's view that the subject matter of overboarding limits relates to director qualifications and normally would not be excludable as ordinary business, but we believe the facts here are distinguishable. *See e.g.*, *American International Group, Inc.* (Mar. 6, 2013) ("*AIG*"). For example, in *AIG*, the proposal in question sought a bylaw amendment to limit directors to a maximum of three board memberships in companies with sales in excess of $500 million annually. The current Proposal stands in stark contrast to the proposal in *AIG*, however, as it goes far beyond analyzing or limiting the number of boards on which a director may serve. Rather, the Proposal seeks intricate details of an unnecessarily granular nature. Moreover, as described in SLB 14L, a micromanagement analysis "may apply to any subject matter." Requiring directors to provide an expected allocation of hours across various professional and voluntary endeavors on a weekly, monthly or even an annual basis, as the Proposal requests, goes well beyond the reasonableness standard articulated by the Commission in the 1998 Release and discussed by the Staff in SLB 14L, and epitomizes the type of overly granular request that constitutes micromanagement. As noted above, the Staff agreed with this distinction in *Johnson & Johnson*, *Lowe's Companies, Inc.* and *Verizon Communications Inc.*

Accordingly, the Proposal should be excluded from Johnson & Johnson's 2025 proxy materials pursuant to Rule 14a-8(i)(7) as seeking to micromanage Johnson & Johnson.

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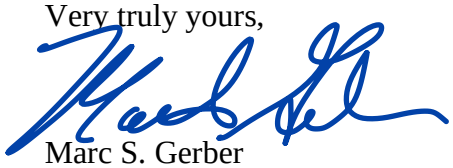
[3] *See* page 3 of the Johnson & Johnson Principles of Corporate Governance and page 25 of Johnson & Johnson's definitive proxy statement on Schedule 14A for the 2024 Annual Meeting of Shareholders.

V. Conclusion

Based upon the foregoing analysis, Johnson & Johnson respectfully requests that the Staff concur that it will take no action if Johnson & Johnson excludes the Proposal from its 2025 proxy materials. Should the Staff disagree with the conclusions set forth in this letter, or should any additional information be desired in support of Johnson & Johnson's position, we would appreciate the opportunity to confer with the Staff concerning these matters prior to the issuance of the Staff's response. Please do not hesitate to contact the undersigned at (202) 371-7233.

Very truly yours,



Marc S. Gerber

Enclosures

cc: Marc Larkins
Worldwide Vice President, Corporate Governance & Corporate Secretary
Johnson & Johnson

Stefan Padfield
National Center for Public Policy Research

EXHIBIT A

(see attached)

November 12, 2024

Via email to

Corporate Secretary
One Johnson & Johnson Plaza
New Brunswick, New Jersey 08933
Attn.: [redacted]

Dear Corporate Secretary,

I hereby submit the enclosed shareholder proposal ("Proposal") for inclusion in the Johnson & Johnson (the "Company") proxy statement to be circulated to Company shareholders in conjunction with the next annual meeting of shareholders. The Proposal is submitted under Rule 14(a)-8 (Proposals of Security Holders) of the United States Securities and Exchange Commission's proxy regulations.

I submit the Proposal as Director of the Free Enterprise Project of the National Center for Public Policy Research, which has continuously owned Company stock with a value exceeding $2,000 for at least 3 years prior to and including the date of this Proposal and which intends to hold these shares through the date of the Company's 2025 annual meeting of shareholders. A proof of ownership letter is forthcoming.

Pursuant to interpretations of Rule 14(a)-8 by the Securities & Exchange Commission staff, I initially propose as a time for a recorded meeting in person or via teleconference to discuss this proposal November 26, 2024, or November 27, 2024, from 1-4 p.m. eastern. If that proves inconvenient, I hope you will suggest some other times within the window proposed by Rule 14(a)-8(b)(iii) to talk. Please feel free to contact me at [redacted] so that we can determine the mode and method of that discussion. This letter constitutes notice of our intent to record any related meetings.

As you know, SEC guidance has admonished corporations against seeking no-action "relief" on grounds that could have been resolved by clear and open correspondence between the parties and a good-faith willingness on both sides to reach a mutually satisfactory resolution and to implement whatever revisions may be agreed to. We herewith express our openness to consideration in good faith of any specific objections to this proposal that you might wish to raise, and a commitment to

work earnestly toward an acceptable adjustment in all instances in which the objections raised are demonstrably supported by SEC regulation, staff guidance, or other relevant explications of specific rules governing the situation at hand.

Copies of correspondence or a request for a "no-action" letter should be sent to me at the National Center for Public Policy Research, 2005 Massachusetts Ave. NW, Washington, DC 20036 and emailed to [redacted].

Sincerely,

Stefan Padfield
Director, Free Enterprise Project
National Center for Public Policy Research

cc: Scott Shepard, General Counsel
Ethan Peck, FEP Deputy Director
Enclosures: Shareholder Proposal

Director Time Commitment Amendment

WHEREAS:

Overboarding is an issue so critical that it has been specifically addressed by the proxy advisors Institutional Shareholder Services and Glass Lewis, as well as the asset managers BlackRock, Vanguard, and State Street.[1]

It has been found that "companies with overboarded directors performed worse compared to companies with no overboarded directors."[2]

The oversight duties of directors continue to require significant attention, with a McKinsey interview asserting that even as far back as 2014, "if a potential director can't put in 300 to 350 hours a year, she shouldn't take the job."[3]

Potential liability for failures of oversight is significant, with relevant litigation from a few years ago related to Boeing including "US$20 billion in non-litigation costs and more than US$2.5 billion in litigation costs."[4]

RESOLVED:

Shareholders request the Board of Directors to adopt a policy, and amend the bylaws if and as necessary, requiring Company directors to disclose their expected allocation of hours among all active commitments/positions, including paid jobs and voluntary engagements, set forth in the director's proxy-statement bio. Allocation may be on a weekly, monthly, or annual basis. This policy would be phased in for the next election of directors in 2026.

SUPPORTING STATEMENT:

By our count, Johnson & Johnson's 2024 proxy statement lists one director with at least nine commitments, and another with at least 14 commitments.[5] While the SEC has previously ruled that it constitutes impermissible micromanagement for shareholders to request an explanation of how directors will allocate their hours across such commitments, this ruling was contrary to prior precedent and current practices because (1) "the SEC staff is on record as saying that an overboarding proposal 'relates to director qualifications'"[6] and is thus a proper matter for a shareholder vote, and (2) the issue of director bandwidth has recently been elevated to that of a core overboarding concern alongside board seats and CEO positions by key corporate governance gatekeepers.[7] Furthermore, to the extent some might argue that listing, for example, committee assignments as discrete commitments improperly inflates the perceived workload, we say:[8]

> (1) either the discrete commitment is material or the disclosure of that commitment in the official bio is misleading; (2) a company is free to attribute zero hours to any disclosed commitment, and is thereby free to clarify for shareholders that, for example, membership on the finance committee is a nominal position.[9]

By adopting this proposal, the Company can provide material information that shareholders should not have to, and may not be able to, ferret out themselves. Specifically, the Company can allow

shareholders to make fully informed decisions regarding the ability of the Company's directors to devote sufficient time to their important duties.

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[1] https://corpgov.law.harvard.edu/2023/09/25/2023-corporate-governance-developments/
[2] https://corpgov.law.harvard.edu/2019/08/05/director-overboarding-global-trends-definitions-and-impact/
[3] https://www.mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights/are-you-getting -all-you-can-from-your-board-of-directors/
[4] https://www.klgates.com/Approval-of-US2375-Million-Settlement-in-Boeing-Derivative-Action-Demonstrates-lmpact-of-Section-220-Demand-in-ESG-Litigation-3-23-2022
[5] https://s203.q4cdn.com/636242992/files/doc_downloads/Annual_meeting/2024/2024-JNJ-Proxy-Statement-full-package.pdf
[6] https://lawprofessors.typepad.com/business_law/2024/08/guest-post-.html
[7] Id.
[8] Id.
[9] Id.

December 6, 2024

Via Online Shareholder Proposal Form

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

Re: No-Action Request from Johnson & Johnson Regarding Shareholder Proposal by the National Center for Public Policy Research ("Proponent" or "NCPPR")

Ladies and Gentlemen:

This correspondence is in response to the letter of Marc S. Gerber on behalf of Johnson & Johnson (the "Company") dated November 22, 2024, requesting that your office (the "Commission" or "Staff") take no action if the Company omits our shareholder proposal (the "Proposal") from its 2025 proxy materials for its 2025 annual shareholder meeting.

For Proponent, this is essentially a request for reconsideration of *Johnson & Johnson* (Mar. 1, 2024) and *Verizon Communications Inc. (NCPPR)* (Mar. 14, 2024), and we incorporate by reference all the relevant arguments Proponent made therein, including especially Proponent's supplemental letter of March 13, 2024 (setting forth guidance from (1) Weil, Gotshal & Manges LLP, (2) Wachtell, Lipton, Rosen & Katz, (3) Vanguard, and (4) The Conference Board supportive of Proponent's position).

Since then, the number of important corporate governance gatekeepers to have zeroed in on time commitment accountability as the next logical and necessary step in overboarding has only increased. For example:

- State Street: "[I]n its Summary of Material Changes to State Street Global Advisors' 2023 Proxy Voting and Engagement Guidelines, State Street indicates that starting in 2024 for companies in the S&P 500, it will no longer use numerical limits to identify overcommitted directors and instead 'require that companies themselves address this issue in their internal policy on director time commitments and that the policy be publicly disclosed.'" (Emphasis added.)[1]

[1] https://corpgov.law.harvard.edu/2024/01/31/driving-board-excellence/

- Jones Day: "A thoughtful and qualitative evaluation of each director's time commitments allows the nominating and governance committee to assess more holistically whether an individual director has the capacity to serve effectively on the particular board or committee at any given time." (Emphasis added.)[2]

- Executives: "just 29% of executives think their boards spend enough time doing their jobs and almost half say they consistently observe board members who are unprepared for meetings."[3]

The need for this type of disclosure is further illustrated by documented examples of likely over-extended directors, including (1) a director with nine competing commitments (including being CEO of United Airlines),[4] and (2) a director with 14 commitments in the Company's own proxy statement from last year.[5] Critically, focusing solely on competing board and CEO commitments likely dramatically understates the potential conflicts.

What all this adds up to is that disclosing expected allocation of hours across commitments is nothing more than a most natural and necessary evolution in overboarding governance. See, Stefan Padfield, *Shareholder Proposals and the Next Step in Overboarding Disclosures*, BUSINESS LAW PROF BLOG (Aug. 7, 2024) ("Asking prospective directors how they intend to allocate their hours among their often numerous commitments should not be viewed as improper micromanagement but rather basic accountability fully within the ambit of shareholders to request.").[6] Accordingly, the staff's precedent in favor of shareholder oversight of overboarding should apply and the claimed grounds for exclusion rejected.[7]

Asserting that accounting for bandwidth by allocating expected hours across disclosed commitments involves "intricate detail" that probes "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"[8] is offensive to both directors and shareholders, who are perfectly competent to provide and assess the requested information. Furthermore, it is clear that "proposals seeking detail … do not per se constitute micromanagement,"[9] and in this case the information sought does not remotely approach an improper "level of granularity"[10] (as opposed to, for example, asking for annual publication of the "*written and oral content* of *any* employee-training materials" offered to the company's employees[11]) (emphasis added). Rather, the information sought is "consistent with that

[2] https://corpgov.law.harvard.edu/2024/08/11/under-pressure-rethinking-board-practices/
[3] https://corpgov.law.harvard.edu/2024/08/20/bridging-the-gap-comparing-board-and-c-suite-perspectives/
[4] https://lawprofessors.typepad.com/business_law/2024/08/guest-post-.html
[5] See https://s203.q4cdn.com/636242992/files/doc_downloads/Annual_meeting/2024/2024-JNJ-Proxy-Statement-full-package.pdf at p. 21.
[6] Available at https://lawprofessors.typepad.com/business_law/2024/08/guest-post-.html .
[7] See e.g., *American International Group, Inc.* (Mar. 6, 2013).
[8] 1998 Release
[9] SLB 14L
[10] Id.
[11] *Deere & Co.* (Jan. 3, 2022)

needed to enable investors to assess … [overboarding] risks" and thus "appropriate for shareholder input."[12]

No less a management authority than Peter Drucker has said:

- "Time is the scarcest resource, and unless it is managed, nothing else can be managed. The analysis of one's time, moreover, is the one easily accessible and yet systematic way to analyze one's work and to think through what really matters in it."[13]
- "Recording time, managing time, consolidating time is the foundation of executive effectiveness."[14]

Accordingly, the information being sought constitutes "a reasonable level of detail"[15] in light of the increasing demands being placed on directors as demonstrated by the focus on time commitments by the six corporate governance experts cited earlier in this reply.

It is worth noting that the SEC has recently been accused of improperly expanding the micromanagement exclusion to favor issuers: "the SEC's no-action process remains remarkably lop-sided in favor of issuers…. This season and last, this imbalance was further exacerbated by a series of decisions in which the Staff applied the micromanagement exclusion against pure disclosure requests."[16]

The Staff should reverse this trend of improperly expanding the micromanagement exclusion. Such a return to institutionally critical neutrality would be facilitated by recognizing that the more an issue becomes central to corporate governance, the more it may be properly subject to shareholder oversight without running afoul of restrictions on micromanagement. Cf. Keir D. Gumbs and Matthew C. Franker, Covington & Burling LLP, *Preparing for Dodd-Frank, Changes to Governance Instruments and Disclosures*, WESTLAW CORPORATE GOVERNANCE DAILY BRIEFING (Dec. 14, 2010) (referencing "provisions aimed at greater shareholder oversight of executive compensation as part of a broader effort to improve corporate governance practices at public companies").[17]

Finally, Proponent's proposal does not "inappropriately limit[] discretion of the board or management." Rather, the proposal "preserve[s] management's discretion on ordinary business matters" while providing shareholders "the level of detail … needed to enable investors to assess … [overboarding] risks … appropriate for shareholder input."[18] This is made clear when one considers that it is difficult to conceive of a proposal seeking disclosure (but not limiting the discretion of the board or management in any other way) that could *not* be deemed impermissible micromanagement if this one is, given how central overboarding is to the shareholder franchise combined with how much discretion is left with the board and management by the proposal,

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[12] SLB 14L

[13] https://www.psychologytoday.com/us/blog/the-peter-drucker-files/202201/time-management-the-peter-drucker-way

[14] https://karlwsprague.medium.com/21-productivity-quotes-from-peter-drucker-that-are-perfect-for-ambitious-millennials-ecabac9a967e

[15] 1998 Release

[16] https://corpgov.law.harvard.edu/2024/06/16/reality-catches-up-with-the-anti-shareholder-narrative/

[17] Available at 2014 WL 128685.

[18] SLB 14L

including discretion regarding what commitments are disclosed as well as how hours are allocated and allocations are explained.

A copy of this correspondence has been timely provided to the Company. If I can provide additional materials to address any queries the Commission may have with respect to this letter, please do not hesitate to call me at (202) 507-6398 or email me at spadfield@nationalcenter.org.

Rule 14a-8(k) and Section E of Staff Legal Bulletin No. 14D (Nov. 7, 2008) provide that companies are required to send proponents a copy of any correspondence that they elect to submit to the Commission or the Staff. Accordingly, we remind the Company that if it were to submit correspondence to the Commission or the Staff or individual members thereof with respect to our Proposal or this proceeding, a copy of that correspondence should concurrently be furnished to us.

Sincerely,

Stefan Padfield
FEP Deputy Director
National Center for Public Policy Research

cc: Marc S. Gerber

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
1440 NEW YORK AVENUE, N.W.
WASHINGTON, D.C. 20005-2111

TEL: (202) 371-7000
FAX: (202) 393-5760
www.skadden.com

FIRM/AFFILIATE OFFICES
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LONDON
MUNICH
PARIS
SÃO PAULO
SEOUL
SHANGHAI
SINGAPORE
TOKYO
TORONTO

DIRECT DIAL
202-371-7233
DIRECT FAX
202-661-8280
EMAIL ADDRESS
MARC.GERBER@SKADDEN.COM

VIA STAFF ONLINE FORM

December 17, 2024

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

RE: Johnson & Johnson – 2025 Annual Meeting
Supplement to Letter dated November 22, 2024
Relating to Shareholder Proposal of
National Center for Public Policy Research

Ladies and Gentlemen:

We refer to our letter dated November 22, 2024 (the "No-Action Request"), submitted on behalf of our client, Johnson & Johnson, a New Jersey corporation, pursuant to which we requested that the Staff of the Division of Corporation Finance (the "Staff") of the U.S. Securities and Exchange Commission (the "Commission") concur with Johnson & Johnson's view that the shareholder proposal and supporting statement (the "Proposal") submitted by the National Center for Public Policy Research (the "Proponent") may be excluded from the proxy materials to be distributed by Johnson & Johnson in connection with its 2025 annual meeting of shareholders (the "2025 proxy materials").

This letter is in response to the letter to the Staff, dated December 6, 2024, submitted by the Proponent (the "Proponent's Letter"), and supplements the No-Action

Request. In accordance with Rule 14a-8(j), a copy of this letter also is being sent to the Proponent.

The Proponent's Letter presents an uncompelling attempt to rebut the No-Action Request. In particular, it states that the Proposal is "essentially a request for reconsideration" of the Staff's decisions less than a year ago relating to virtually identical proposals that were excluded on the basis of micromanagement. The Proponent's Letter argues that the Proposal should not be excluded on the basis of micromanagement because the information sought by the Proposal is consistent with that needed to enable investors to assess overboarding risks.[1] As explained below, this argument is not persuasive.

The Proponent's Letter attempts to draw support from certain third-party publications on director overboarding, but they do not support the Proponent's assertions. Notably, none of the third-party publications suggest disclosing intricate details relating to directors' time commitments, as requested by the Proposal.[2] Rather, certain guidance cited in the Proponent's Letter suggests that each board should have a policy on director overboarding that is publicly disclosed.[3] As described in the No-Action Request, Johnson & Johnson, in fact, has a publicly disclosed policy on director overboarding—Johnson & Johnson's Principles of Corporate Governance provide that a Johnson & Johnson director who serves as a chief executive officer (or similar position) should not serve on more than two total public company boards, and other Johnson & Johnson directors should not serve on more than five total public company boards (in

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[1] The Proponent's Letter's reliance on *American International Group, Inc.* (Mar. 6, 2013) ("*AIG*") is misguided. As explained in the No-Action Request, the proposal in *AIG* sought a bylaw amendment to limit directors to a maximum of three board memberships in companies with sales in excess of $500 million annually, which stands in stark contrast to the Proposal's request to disclose intricate details of an unnecessarily granular nature relating to directors' expected allocation of hours among all active commitments/positions, including paid jobs and voluntary engagements, set forth in the director's proxy-statement bio.

[2] We note that the Proponent's Letter also cites to a blog post by Stefan Padfield, an employee of the Proponent, *Shareholder Proposals and the Next Step in Overboarding Disclosures*, BUSINESS LAW PROF BLOG (Aug. 7, 2024), which discusses the proposal virtually identical to the Proposal submitted last year to Johnson & Johnson.

[3] *See, e.g.*, State Street ("[I]n its Summary of Material Changes to State Street Global Advisors' 2023 Proxy Voting and Engagement Guidelines, State Street indicates that starting in 2024 for companies in the S&P 500, it will no longer use numerical limits to identify overcommitted directors and instead 'require that companies themselves address this issue in their internal policy on director time commitments and that the policy be publicly disclosed.'" (emphasis added)).

each case, including the Johnson & Johnson board).[4] In addition, consistent with Commission rules, Johnson & Johnson discloses in its annual meeting proxy statements each director nominee's business experience during the past five years, including principal occupations and employment, any other public company directorships held and other affiliations.

As noted in the No-Action Request, institutional investors, proxy advisory firms and companies have a variety of policies on the topic of director overboarding, and proxy advisory firms and institutional investors have reasonable levels of information on which to make voting recommendations or decisions.[5] The voting policies of institutional investors and proxy advisory firms, as well as Johnson & Johnson's publicly available overboarding policy and proxy statement disclosures, address the issue of director commitments based on reasonable information that shareholders can assess. The granular information sought by the Proposal, however, goes far beyond the level of information necessary for investors to evaluate whether directors are overcommitted.

Accordingly, similar to the virtually identical proposals referenced in the Proponent's Letter that were excluded on the basis of micromanagement, the Proposal should be excluded from Johnson & Johnson's 2025 proxy materials pursuant to Rule 14a-8(i)(7) as seeking to micromanage Johnson & Johnson.

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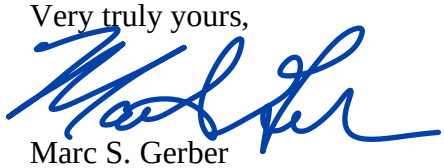
[4] *See* page 3 of the Johnson & Johnson Principles of Corporate Governance and page 25 of Johnson & Johnson's definitive proxy statement on Schedule 14A for the 2024 Annual Meeting of Shareholders.

[5] *See, e.g.*, page 5 of BlackRock Investment Stewardship Proxy Voting Guidelines for U.S. Securities (Effective as of January 2024); page 5 of Vanguard-Advised Funds Proxy Voting Policy for U.S. Portfolio Companies (Effective February 2024).

Should the Staff disagree with the conclusions set forth in this letter, or should any additional information be desired in support of Johnson & Johnson's position, we would appreciate the opportunity to confer with the Staff concerning these matters prior to the issuance of the Staff's response. Please do not hesitate to contact the undersigned at (202) 371-7233.

Very truly yours,



Marc S. Gerber

cc: Marc Larkins
Worldwide Vice President, Corporate Governance & Corporate Secretary
Johnson & Johnson

Stefan Padfield
National Center for Public Policy Research

December 21, 2024

Via Online Shareholder Proposal Form

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

Re: No-Action Request from Johnson & Johnson Regarding Shareholder Proposal by the National Center for Public Policy Research ("Proponent" or "NCPPR")

Ladies and Gentlemen:

This correspondence is in response to the letter of Marc S. Gerber on behalf of Johnson & Johnson (the "Company") dated December 17, 2024, supplementing the letter dated November 22, 2024, requesting that your office (the "Commission" or "Staff") take no action if the Company omits our shareholder proposal (the "Proposal") from its 2025 proxy materials for its 2025 annual shareholder meeting.

Whether or not the Staff concludes that Proponent's proposal may be excluded as impermissible micromanagement likely turns on whether the Staff agrees with the following assertion by the Company: "The granular information sought by the Proposal … goes far beyond the level of information necessary for investors to evaluate whether directors are overcommitted."

In assessing that claim, it is important to note that the Company provides no explanation for how investors are to determine whether directors are overextended when large swaths of the commitments listed in official bios are not captured by the current overboarding framework. As previously noted, investors are in some cases asked to assess the viability of board candidates who have disclosed as many as eight commitments on top of CEO obligations or, in another case, 14 total commitments – all competing for the director's time. Yet investors are left in the dark regarding how many hours the director expects to allocate to each of those commitments.

An excerpt from a related article previously written by the author of this reply might help illuminate the difficulty investors currently face:[1]

To start, let's do some back-of-the-envelope calculations based on the following inputs.

- *In 2014, in an interview with McKinsey & Co., veteran director David Beatty asserted that "if a potential director can't put in 300 to 350 hours a year, she shouldn't take the job." (Let's round that to 7 hours per week.)*
- *In 2018, the Harvard Business Review reported on a study that found CEOs "worked an average of 62.5 hours a week."*
- *Richard Barton, one of the Netflix directors up for election as part of the annual meeting at which we proffered our proposal is: (1) CEO of Zillow, in addition to being a director at (2) Zillow, (3) Qurate Retail, (4) Artsy, and (5) Netflix.*

Based on all the foregoing, we could very roughly estimate that Barton should apparently be working 90.5 hours per week or 13 hours per day Monday thru Sunday. But should shareholders really have to perform back-of-the-envelope calculations like this to determine whether their directors are reasonably likely to be devoting appropriate time to a job that is supposedly at the heart of a corporation's governance and for which the director is being well-compensated (it has been reported that the average 2022 compensation for an S&P 500 director was $316,091)?

I submit the answer should be "no." Instead, directors should be required to submit and distribute their estimates of how they plan to allocate their time among the executive and director obligations they are being paid to perform.

In the case of a candidate like Barton – who has an executive position along with serving on four boards – we should either get a commitment to that 90.5 hours per week or expect an explanation for why shareholders should be satisfied with less. In addition, any such adopted reporting obligation should provide the individual's actual compensation for each position, so that shareholders can get a clear picture of the expected hourly rate they'll be paying for that individual's services.[2]

The point of the foregoing should be clear: An accounting of hours across disclosed commitments does not go "far beyond the level of information necessary for investors to evaluate whether directors are overcommitted." Rather, it is difficult to imagine how investors are to make an informed decision in such cases without such information. Speaking plainly, would you hire any employee for any business after they had disclosed the existence of ten or more competing commitments without first getting some estimate of how there were going to be enough hours in the day for this new hire to properly fulfill their duties to you? No reasonable business owner would hire in such a situation without the additional information being sought by this proposal. Yet the Company tells its shareholders that this most basic type of information is too "granular" for the

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[1] The Company devotes a footnote to noting that the author of this reply also authored a separate article cited in the first reply, perhaps suggesting such a footnote was necessary to avoid the reader somehow being misled. Given that the author's name was not hidden in the citation or on the reply, it should be obvious that the citation was included solely for its substance.

[2] https://www.newsmax.com/finance/streettalk/woke-capitalism-board-directors/2023/08/24/id/1131957/

Company and its directors to bother providing investors. This insults shareholders and mocks shareholder suffrage.

For the reasons set forth here and in Proponent's prior reply, the Staff should not permit the Company to exclude this proposal on the basis of supposedly improper micromanagement. Excluding this proposal is contrary to the Staff's presumption in favor of overboarding proposals and would undermine one of the most basic elements of the shareholder oversight necessary for effective corporate governance. To deny shareholders an opportunity to even consider this proposal is to deny them an opportunity to make fully informed director election decisions. The Staff should not be a party to such interference with shareholder democracy.

A copy of this correspondence has been timely provided to the Company. If I can provide additional materials to address any queries the Commission may have with respect to this letter, please do not hesitate to call me at (202) 507-6398 or email me at spadfield@nationalcenter.org.

Rule 14a-8(k) and Section E of Staff Legal Bulletin No. 14D (Nov. 7, 2008) provide that companies are required to send proponents a copy of any correspondence that they elect to submit to the Commission or the Staff. Accordingly, we remind the Company that if it were to submit correspondence to the Commission or the Staff or individual members thereof with respect to our Proposal or this proceeding, a copy of that correspondence should concurrently be furnished to us.

Sincerely,

Stefan Padfield
FEP Deputy Director
National Center for Public Policy Research

cc: Marc S. Gerber