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

DIVISION OF
CORPORATION FINANCE

April 18, 2025

Ronald O. Mueller
Gibson, Dunn & Crutcher LLP

Re: Salesforce, Inc. (the "Company")
Incoming letter dated February 3, 2025

Dear Ronald O. Mueller:

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

The Proposal requests that the board of directors' Business Transformation Committee oversee an assessment of the costs versus the benefits of retaining the Company's headquarters presence in San Francisco.

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 relates to the Company's ordinary business operations. 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: Paul Chesser
National Legal and Policy Center

GIBSON DUNN

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Partner
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February 3, 2025

VIA ONLINE PORTAL SUBMISSION

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

Re: *Salesforce, Inc.*
Stockholder Proposal of the National Legal and Policy Center
Securities Exchange Act of 1934—Rule 14a-8

Ladies and Gentlemen:

This letter is to inform you that our client, Salesforce, Inc. (the "Company"), intends to omit from its proxy statement and form of proxy for its 2025 Annual Meeting of Stockholders (collectively, the "2025 Proxy Materials") a stockholder proposal (the "Proposal") and statement in support thereof (the "Supporting Statement") submitted by the National Legal and Policy Center (the "Proponent").

Pursuant to Rule 14a-8(j), we have:

- filed this letter with the Securities and Exchange Commission (the "Commission") no later than eighty (80) calendar days before the Company intends to file its definitive 2025 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponent.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) ("SLB 14D") provide that stockholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the staff of the Division of Corporation Finance (the "Staff"). Accordingly, we are taking this opportunity to inform the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to the Proposal, a copy of such correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

THE PROPOSAL

The Proposal states:

> **RESOLVED:** Shareholders request the Board of Directors' Business Transformation Committee – designed to "[oversee] management's efforts to transform the business and strengthen our foundation for sustained operational

> excellence and value creation" – to oversee an assessment of the costs versus benefits of retaining Salesforce's headquarters presence in San Francisco compared to relocation in other potential states, by a third-party consultant if preferred. Consideration of other states' willingness to offer economic incentives should be evaluated, in addition to other obvious business factors. No report is requested, as an advisory vote is intended to simply represent shareholders' will, in an effort to improve corporate value and performance.

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

BASES FOR EXCLUSION

We hereby respectfully request that the Staff concur in our view that the Proposal may be excluded from the 2025 Proxy Materials pursuant to Rule 14a-8(i)(7) because (1) the Proposal relates to the Company's ordinary business operations and (2) the Proposal seeks to micromanage the Company.

ANALYSIS

The Proposal May Be Excluded Under Rule 14a-8(i)(7) Because The Proposal Relates To The Company's Ordinary Business Operations.

A. Background On The Ordinary Business Standard.

Rule 14a-8(i)(7) permits a company to omit from its proxy materials a stockholder proposal that relates to the company's "ordinary business" operations. According to the Commission's release accompanying the 1998 amendments to Rule 14a-8, the term "ordinary business" "refers to matters that are not necessarily 'ordinary' in the common meaning of the word," but instead the term "is rooted in the corporate law concept providing management with flexibility in directing certain core matters involving the company's business and operations." Exchange Act Release No. 40018 (May 21, 1998) (the "1998 Release"). In the 1998 Release, the Commission stated that the underlying policy of the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting," and identified two central considerations that underlie this policy. *Id.* The first of those considerations 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." *Id.* The Commission stated that examples of tasks that implicate the ordinary business standard include "the management of the workforce, such as the hiring, promotion, and termination of employees, decisions on production quality and quantity, and the retention of suppliers." *Id.* The second consideration concerns "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." *Id.* (citing Exchange Act Release No. 12999 (Nov. 22, 1976) (the "1976 Release")).

B. The Proposal Is Excludable Because It Relates To The Determination Of The Location Of The Company's Corporate Headquarters.

The Proposal requests that the Business Transformation Committee of the Company's Board of Directors (the "Board") conduct an assessment of potentially relocating the Company's current headquarters in San Francisco, California to other states. The Supporting Statement provides a list of hypothetical benefits of relocation, such as state-provided "tax breaks and other economic incentives," improvements to "the Company's capabilities to recruit talent," and opportunities to "sustain asset values[] and maximize revenues and profits." However, as the Supporting Statement demonstrates, the decision of where to locate the Company's headquarters involves an array of complex considerations and analysis of many factors, such as the state and local business and regulatory climate, state and local taxes, branding and reputational considerations, proximity to a global center for technology and innovation such as the Bay Area, ability to recruit high-caliber executives and employees, proximity to a major international airport, and financial, reputational, and other costs associated with siting or moving the Company's headquarters, among others. Evaluating these complex considerations are fundamental to management's ability to run the Company on a day-to-day basis and involve multiple nuanced considerations that are not appropriate to address through a stockholder vote.

Indeed, the Staff has long concurred that the determination of the location of a company's headquarters falls squarely within the ordinary business operations of the company. For example, in *The Boeing Co.* (avail. Feb. 21, 2024) ("*Boeing 2024*"), the proposal "recommend[ed] [that] the Board of Directors relocate [the company]'s headquarters back to Seattle, Washington." The supporting statement asserted that "the most significant factor in [the company]'s recent issues was relocating [the company]'s headquarters from Seattle" and that "returning [the company]'s headquarters to its Seattle base . . . will send a meaningful signal [the company] credibly intends to resume its position at the top of the commercial airplane business [and] restore its reputation for safety and excellence." The company argued that "[t]he location of corporate headquarters is integral to management's ability to run the [c]ompany in the ordinary course of business," and the Staff concurred with exclusion under Rule 14a-8(i)(7). Similarly, in *MCI WORLDCOM, Inc.* (avail. Apr. 20, 2000), the proposal requested that the company conduct a "[p]roper economic analysis" in connection with any future plans to abandon existing office or operating facilities. The Staff concurred with exclusion of the proposal under Rule 14a-8(i)(7), noting that the proposal related to the company's "ordinary business operations (*i.e.*, determination of the location of office or operating facilities)." *See also Tenneco Inc.* (avail. Dec. 28, 1995) (concurring with the exclusion of a proposal requesting a report on the relocation of the company's headquarters from Houston, Texas to Greenwich, Connecticut); *Pacific Gas and Electric Co.* (avail. Jan. 3, 1986) (concurring with the exclusion of a proposal requesting a feasibility study to relocate the company's headquarters from San Francisco to San Luis Obispo).

Similarly, the Staff has also consistently concurred in the exclusion under Rule 14a-8(i)(7) of proposals related to the location of other company facilities. *See The Boeing Co. (Jorgensen)* (avail. Jan. 9, 2018, *recon. denied* Mar. 9, 2018) (concurring with the exclusion of a proposal

requesting that the company include certain criteria in the process for selecting new or expanding existing aircraft production locations); *The Hershey Co.* (avail. Feb. 2, 2009) (concurring with the exclusion of a proposal requesting that all products sold in the United States and Canada be manufactured in the United States and Canada, noting that the proposal addressed "decisions relating to the location of [the company's] manufacturing operations"); *Tim Hortons Inc.* (avail. Jan. 4, 2008) (concurring with the exclusion of a proposal requesting that the company authorize a feasibility analysis to evaluate the prospect of establishing locations in New Zealand and Australia, noting that the proposal "relat[ed] to [the company]'s ordinary business operations (*i.e.*, decisions relating to the location of its restaurants)").

As in *Boeing 2024* and the other precedents cited above, the Proposal relates to the location of the Company's facilities—specifically, the location of the Company's corporate headquarters—and therefore implicates business decisions that are fundamental to management's ability to run the Company on a day-to-day basis. While the Proposal and Supporting Statement touch on a few relevant considerations relating to such decisions, the Proposal fails to recognize that the process of selecting a site for the Company's headquarters is complex, involving the consideration of numerous other factors discussed above, which must be analyzed by those with intimate knowledge of the Company and its business. The fact that the Proposal requests only an asessment does not alter the underlying focus of the Proposal—namely, evaluating where the Company should locate its headquarters.[1] Indeed, the Proposal itself makes clear that the requested stockholder vote is intended to serve as a referendum on the issue. Moreover, even a decision to assess whether to relocate a company's corporate headquarters, as requested by the Proposal, is complex as it can have significant ramifications on a company's ability to attract and retain talent and on a company's public and governmental relations.[2] As a result, decisions relating to the location of the Company's headquarters, including the judgment required to determine whether, when, and by whom such decision should be made, as well as which factors to consider and how best to balance those factors, requires the expertise of the Company's management and cannot, "as a practical matter, be subject to direct shareholder oversight." Accordingly, as in the precedents cited above, the

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[1] *Cf.* Staff Legal Bulletin No. 14E (Oct. 27, 2009) at Part B (confirming that, regardless of whether a proposal requests an assessment of risks, the preparation of a report, the formation of a committee, or the inclusion of disclosure in a Commission-prescribed document, the Staff will look to the underlying subject matter of the assessment, report, committee, or disclosure to determine whether the proposal relates to ordinary business). *See, e.g.*, *GameStop Corp. (Sandau)* (avail. Apr. 24, 2024) (concurring with the exclusion of a proposal under Rule 14a-8(i)(7) requesting that the company "conduct an evaluation of the current relationship with the current transfer agent . . . and assess whether or not a new arrangement could be negotiated").

[2] *See, e.g.*, Emily Badger, Quoctrung Bui, and Claire Cain Miller, *Dear Amazon, We Picked Your New Headquarters for You*, TheUpshot, New York Times (Sept. 9, 2017), https://www.nytimes.com/interactive/2017/09/09/upshot/where-should-amazon-new-headquarters-be.html; Bernadette Berdychowski, *St. Petersburg is trying to attract a Fortune 500 company. Is it Foot Locker?*, Tampa Bay Times (Oct. 15 ,2021), https://www.tampabay.com/news/business/2021/10/15/st-petersburg-will-subsidize-mystery-fortune-500-company-if-it-relocates/; Hugh Bailey and Ken Dixon, *GE says it's considering leaving Connecticut*, Connecticut Post (June 4, 2015), https://www.ctpost.com/news/article/GE-says-it-s-considering-leaving-Connecticut-6307688.php.

Proposal may be excluded pursuant to Rule 14a-8(i)(7) because it relates to the Company's ordinary business operations.

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

In the 1998 Release, the Commission reaffirmed the standards for when proposals are excludable under the "ordinary business" provision that the Commission initially articulated in the 1976 Release. The 1998 Release also distinguishes proposals pertaining to ordinary business matters that are excludable under Rule 14a-8(i)(7) from those involving "significant social policy issues." *Id.* (citing the 1976 Release). While "proposals . . . focusing on sufficiently significant social policy issues (*e.g.*, significant discrimination matters) generally would not be considered to be excludable," the Staff has indicated that proposals relating to both ordinary business matters and significant social policy issues may be excluded in reliance on Rule 14a-8(i)(7) if they do not "transcend the day-to-day business matters" discussed in the proposals. 1998 Release. In this regard, when assessing proposals under Rule 14a-8(i)(7), the Staff considers "both the proposal and the supporting statement as a whole." Staff Legal Bulletin No. 14C, part D.2 (June 28, 2005). Moreover, as Staff precedents have established, the fact that a proposal may touch upon topics that implicate significant policy issues does not transform an otherwise ordinary business proposal into one that transcends ordinary business when the proposal does not otherwise focus on those topics.

The Staff most recently discussed how it evaluates whether a proposal "transcends the day-to-day business matters" of a company in Staff Legal Bulletin No. 14L (Nov. 3, 2021) ("SLB 14L"), noting that it is "realign[ing]" its approach to determining whether a proposal relates to ordinary business with the standards the Commission initially articulated in 1976 and reaffirmed in the 1998 Release. In addition, the Staff stated that it will "no longer tak[e] a company-specific approach to evaluating the significance of a policy issue under Rule 14a-8(i)(7)" but rather will consider only "whether the proposal raises issues with a broad societal impact, such that they transcend the ordinary business of the company."

The Staff has consistently concurred with exclusion of proposals that primarily relate to ordinary business matters, even if such proposals touch upon significant policy issues. For example, the proposal in *PetSmart, Inc.* (avail. Mar. 24, 2011) requested that the board require its suppliers to certify they had not violated "the Animal Welfare Act, the Lacey Act, or any state law equivalents" which related to preventing animal cruelty. The Staff granted no-action relief under Rule 14a-8(i)(7) because the proposal addressed but did not focus on significant policy issues, stating "[a]lthough the humane treatment of animals is a significant policy issue, we note your view that the scope of the laws covered by the proposal is 'fairly broad in nature from serious violations such as animal abuse to violations of administrative matters such as record keeping.'" Recent precedent where the Staff concurred with exclusion of a proposal that referenced or touched upon a significant policy matter but that addressed or focused on ordinary business matters includes *Fox Corp.* (avail. Sept. 19, 2024). There, the company received a proposal requesting a report on the potential negative social impact and risks to the company from

inadequately distinguishing between on-air news content and opinion content, and the company argued that "citing potential social policy implications in a proposal does not qualify as 'focusing' on such issues, even if the social policies happen to be the subject of substantial public focus." The Staff concurred with exclusion under Rule 14a-8(i)(7). *See also Shake Shack Inc.* (avail. Apr. 23, 2024) (concurring with the exclusion under Rule 14a-8(i)(7) of a proposal requesting details about the company's claims that its chicken products were hormone-free where the company asserted that the proposal was not focused on animal health but instead on the company's marketing and advertising); *The Coca-Cola Co.* (avail. Mar. 6, 2024) (concurring with exclusion under Rule 14a-8(i)(7) where the company asserted that the proposal was not focused on public health concerns but instead questioned the manner in which the company was pursuing those goals).

As in the precedents cited above, the Proposal does not focus on a significant social policy issue that has a broad societal impact, such as discrimination, but instead focuses on the location of the Company's headquarters and its potential impacts on the success of the Company's business. While the Supporting Statement makes passing references to various alleged social concerns that the Proponent asserts relate to the current location of the Company's headquarters, the Proposal does not focus on or seek to address those social concerns and does not suggest that the location of the Company's headquarters has contributed to or otherwise is connected to such concerns. Instead, the Proposal's primary focus is on relocating the Company's headquarters to attempt to reap potential business benefits. In this regard, the Supporting Statement addresses a number of economic drivers, such as "tax breaks," the ability to "sustain asset values," and the opportunity to "maximize revenues and profits," as support for why the Company should relocate its headquarters outside of San Francisco. Moreover, the Resolved clause specifically asks that the assessment include an evaluation of "other states' willingness to offer economic incentives . . . in addition to other obvious business factors" and that the Proposal's request is "an effort to improve corporate value and performance." As a result, the Proposal does not focus on a significant social policy issue and instead addresses matters that fall squarely within the Company's ordinary business. Accordingly, the Proposal does not transcend the Company's ordinary business operations and may properly be excluded under Rule 14a-8(i)(7).

D. The Proposal Is Excludable Because It Seeks To Micromanage The Company.

As explained above, the Commission stated in the 1998 Release that one of the considerations underlying the ordinary business exclusion is "the degree to which the proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." The 1998 Release further states that "[t]his consideration may come into play in a number of circumstances, such as where the proposal involves intricate detail, or seeks to impose specific . . . methods for implementing complex policies." In SLB 14L, the Staff stated that in considering arguments for exclusion based on micromanagement, the Staff "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." Moreover, "granularity" is only one factor evaluated by

the Staff. As is relevant here, the Staff stated in SLB 14L that it also focuses on "whether and to what extent it *inappropriately limits discretion of the board or management*" (emphasis added). The Staff stated that this approach "is consistent with the Commission's views on the ordinary business exclusion, which is designed to preserve management's discretion on ordinary business matters but not prevent shareholders from providing high-level direction on large strategic corporate matters." SLB 14L.

In assessing whether a proposal micromanages by seeking to impose specific methods for implementing complex policies, the Staff evaluates not just the wording of the proposal but also the action called for by the proposal and the manner in which the action called for under a proposal would affect a company's activities and management discretion generally. *See, e.g.*, *Tesla, Inc. (Stephen)* (avail. Mar. 27, 2024) (concurring that a proposal requesting that the company "redesign vehicle tires to avoid pollution from harmful chemicals such as 6PPD-Q" sought to micromanage the company); and *The Home Depot, Inc. (Green Century Capital Management)* (avail. Mar. 21, 2024) (concurring that a proposal requesting a report "assessing the benefits and drawbacks of permanently committing not to sell paint containing titanium dioxide sourced from the Okefenokee" and related risks sought to micromanage the company).

The Staff has previously concurred in exclusion where a proposal seeks to micromanage a company by addressing the location of the company's operations. In *Seagate Technology plc* (avail. Aug. 2, 2021), the proposal requested that the company terminate its operations in the People's Republic of China and relocate those operations to another country to protect its employees and technology. The company argued that the proposal was a "great[] intrusion into the ordinary business of the [c]ompany" and that it sought to "second-guess management's discretion as to where to locate its business operations." Specifically, the company explained that its "decision-making as to whether to expand, contract, or relocate existing business operations to or from any specific locale" and other issues related thereto were complex and involved an evaluation of many different factors such as the market for the company's products, the type of work to be performed, manufacture and delivery of products from specified locale, legal and regulatory compliance and public relations issues, and demographics, among several other factors. The Staff concurred that the proposal was excludable under Rule 14a-8(i)(7) as micromanagement.

As with the proposal in *Seagate Technology*, the Proposal inappropriately seeks to "second-guess management's discretion as to where to locate its business operations." While phrased as a request for an assessment, the Proposal makes clear that it is intended as a referendum on moving the Company's headquarters out of California, and the Proposal even dictates who should conduct the review (the Board's Business Transformation Committee) and what factors should be considered (other states' willingness to offer economic incentives). As discussed above, however, determining whether, when, and how to assess a potential relocation of the Company's headquarters is a complex and multifaceted business decision, involving the consideration of numerous economic and non-economic factors, such as proximity to a global center for technology and innovation and the ability to recruit and retain talented employees, among others. By calling for an assessment of the costs versus the benefits of retaining the

Company's headquarters in San Francisco, the Proposal is not providing "high-level direction on large strategic corporate matters," but instead is seeking to supplant management's judgment and micromanage the Company on a complex and nuanced operations-oriented topic. Therefore, as with *Seagate Technology*, the Proposal micromanages the Company and, accordingly, may properly be excluded under Rule 14a-8(i)(7).

CONCLUSION

Based upon the foregoing analysis, the Company intends to exclude the Proposal from its 2025 Proxy Materials, and we respectfully request that the Staff concur that the Proposal may be excluded under Rule 14a-8.

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. Correspondence regarding this letter should be sent to shareholderproposals@gibsondunn.com. If we can be of any further assistance in this matter, please do not hesitate to call me at (202) 955-8671.

Sincerely,

Ronald O. Mueller

Enclosures

cc: Scott Siamas, Salesforce, Inc.
Paul Chesser, National Legal and Policy Center

EXHIBIT A

Examine Potential Relocation of Corporate Headquarters

WHEREAS: With unrelenting trends of excessive regulatory, taxation and anti-freedom burdens, the State of California has seen an exodus of population, business and industry.[1] [2] Annual surveys designed to identify the "Best and Worst States for Business" of CEOs by Chief Executive magazine have for several years ranked California 50th.

"Just as CEOs have solidified opinions about the welcoming top states," the publication reported, "their assessment of the worst has ossified."[3] For 2024, the magazine discovered that 49 percent of CEOs said they were more open to examining new locations for their business, and 35 percent were considering shifting operations to a new state.[4] At least 60 corporate headquarters have left San Francisco since 2020.[5]

Other Golden State anti-business policies have produced chronic problems including undependable electricity supply and management;[6] rampant crime and homelessness;[7] [8] inadequate preparation to mitigate natural disasters including wildfires and floods;[9] property non-insurability that has caused multiple carriers to flee the state;[10] anti-free speech actions and litigation;[11] [12] and many other public policy issues that are managed far better in other U.S. states.

SUPPORTING STATEMENT: Salesforce, Inc., based in San Francisco, is not exempt from these negative consequences. The city is stuck in a "doom loop," with its tallest skyscraper – Salesforce Tower – emptied of six of its 30 floors due to attrition, a "beacon of hope turned mausoleum."[13] CEO Marc Benioff in 2023 had to pressure the city to clean up the area in advance of the company's annual Dreamforce conference, asking, "Why can't they do it every day?"[14]

Companies whose identity was once intertwined with San Francisco are bailing out, with Wells Fargo putting its headquarters building on the market and shuttering its corporate history museum.[15] Meanwhile those that have looked to shift decision-making operations from high-tax, high-regulation states to less burdensome ones have discovered welcome mats rolled out, with

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[1] https://www.foxbusiness.com/lifestyle/americans-flocked-settle-scenic-southern-state-u-haul-see-list
[2] https://californiaglobe.com/fr/california-business-exodus-for-friendlier-states-continues/
[3] https://chiefexecutive.net/best-worst-states-for-business-2023-where-the-boom-lives-on/
[4] https://chiefexecutive.net/best-worst-states-survey-shows-unsettled-ceos-are-ready-to-roam/
[5] https://buildremote.co/companies/businesses-leaving-san-francisco/
[6] https://www.wsj.com/opinion/los-angeles-power-blackouts-green-energy-california-hollywood-bowl-6eefbb22
[7] https://www.foxnews.com/opinion/kamala-harris-8-billion-shoplifting-industry-wrecked-california
[8] https://calmatters.org/housing/homelessness/2024/09/pit-count-analysis-2024/
[9] https://www.foxnews.com/politics/gov-newsom-cut-fire-budget-100m-months-lethal-california-fires
[10] https://www.foxbusiness.com/lifestyle/california-insurance-crisis-here-carriers-have-fled-reduced-coverage-state
[11] https://www.dailymail.co.uk/news/article-13871327/Gavin-Newsom-threatens-Elon-Musk-legal-action-memes-deepfakes.html
[12] https://reclaimthenet.org/california-attorney-general-bonta-pressures-top-social-media-and-ai-executives-to-address-misinformation
[13] https://www.ft.com/content/71d8013d-9d94-441e-b2d1-3039c04397d6
[14] https://www.sfchronicle.com/sf/article/marc-benioff-dreamforce-s-f-safe-clean-18365106.php
[15] https://www.wsj.com/finance/banking/wells-fargo-to-sell-san-francisco-headquarters-3da48964

extensive tax breaks and other economic incentives,[16] often producing relocation bidding wars between jurisdictions.[17]

California and the City by the Bay are business-unfriendly and diminish the Company's capabilities to recruit talent, provide safe environs for workers, sustain asset values, and maximize revenues and profits. The Board of Directors should consider relocation of its headquarters elsewhere in the United States.

RESOLVED: Shareholders request the Board of Directors' Business Transformation Committee – designed to "[oversee] management's efforts to transform the business and strengthen our foundation for sustained operational excellence and value creation"[18] – to oversee an assessment of the costs versus benefits of retaining Salesforce's headquarters presence in San Francisco compared to relocation in other potential states, by a third-party consultant if preferred. Consideration of other states' willingness to offer economic incentives should be evaluated, in addition to other obvious business factors. No report is requested, as an advisory vote is intended to simply represent shareholders' will, in an effort to improve corporate value and performance.

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[16] https://californiaglobe.com/articles/oracle-moving-headquarters-out-of-austin-only-4-years-after-moving-out-of-california/

[17] https://www.aboutamazon.com/news/company-news/amazon-selects-new-york-city-and-northern-virginia-for-new-headquarters

[18] https://s23.q4cdn.com/574569502/files/doc_financials/2024/ar/salesforce-fy24-proxy-statement.pdf

NATIONAL LEGAL AND POLICY CENTER

April 3, 2025

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

Re: *Salesforce, Inc.*
Shareholder Proposal of the National Legal and Policy Center ("NLPC")
Securities Exchange Act of 1934—Rule 14a-8

SUBMITTED THROUGH THE SEC ONLINE SHAREHOLDER PORTAL
Reference #644066

Ladies and Gentlemen:

This letter responds to the letter dated February 3, 2025 from Ronald O. Mueller of Gibson, Dunn & Crutcher LLP, counsel for Salesforce, Inc. ("Salesforce" or "Company"), requesting that the Division of Corporation Finance ("Staff") take no action if the Company excludes our shareholder proposal ("Proposal") from its proxy materials ("Proxy") for its 2025 annual shareholder meeting.

The Company's request provides insufficient justification for exclusion and should be denied no-action relief.

The Company's excuse to exclude our Proposal from the Proxy – because it "relates to the Company's ordinary business operations" – is erroneous. Our following analysis explains why.

First: No backchannel communications

Salesforce and Mr. Mueller conclude their no-action pleading by stating:

> We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. Correspondence regarding this letter should be sent to shareholderproposals@gibsondunn.com. If we can be of any further assistance in this matter, please do not hesitate to call me at (Mr. Mueller's phone number).

NLPC fully expects Staff to act professionally and transparently with us as

proponents, and that no communication will be conducted with the Company or its representatives without complete and contemporaneous disclosure to us. We will seek full legal redress against both the Company and the SEC without such transparency.

Second: 'Precedents' are irrelevant

The Company and its legal counsel throw voluminous "precedents" against the wall in an attempt to bedazzle the Staff into accepting their premise that those past examples are analogous and/or relevant to NLPC's Proposal. There is no way of knowing whether the alleged precedents are relevant or not, unless Staff revisits those original decisions to find out what previous Staff reviewers identified as the determining factors in providing no-action relief in those past cases, which *themselves* contain voluminous and far-reaching dubious "precedents." Alleged "precedent" Staff decisions cited in no-action pleadings *never* identify specific arguments that were persuading factors in their past decisions. Instead, the best proponents and companies can glean is whether Staff "concurs" or "do[es] not concur" on the broader premise upon which a Company builds its no-action pleading. Staff *never* specifies which among the many arguments in each pleading convinced them in reaching their decisions, as the Company's lawyers would lead one to believe.

Further to this point, such "precedents" are rendered under differing rules, guidelines and standards depending on when, and under whom, they were established and administered. Standards that were in effect at the time may not be applicable today. Guidelines once again shifted shortly after Jan. 20, 2025, for example.

The Company's very first "precedent" in its pleading illustrates this disconnect. Its no-action request cites *The Boeing Co.* (avail. Feb. 21, 2024) ("Boeing 2024"), where Staff granted relief, in which that proposal "recommend[ed] [that] the Board of Directors relocate [the company]'s headquarters back to Seattle, Washington." That proposal had no analogous relationship to NLPC's current Proposal under consideration for Salesforce. The Boeing 2024 proposal was clearly prescriptive and *demanded* a move of the headquarters. The Salesforce Proposal merely *requests an annual meeting vote of shareholders as to whether they believe a study of whether any kind of move would be beneficial*. The differences between the two proposals are stark.

Likewise, the vast majority of the Company's argument against NLPC's Proposal is made up of these vague, undetailed, unrelated and misrepresented "precedents."

Bottom line: Company lawyers' "precedents" are irrelevant absent context, a decision-making nexus, and scrutiny of the original proposals and case arguments, and therefore should be disregarded.

The substance of the Proposal's 'Resolved' clause should be the focus

The Company's no-action request focuses on the topic of the Proposal – which is substantiated by as much significant evidence as is possible to include within 500 words – of the pecuniary consideration for Salesforce to examine whether its operational and decision-making nexus should be relocated to another state in America besides California.

But Staff, in making its determination as to whether it should extend no-action relief to the Company, should consider the *specific request* made in the Proposal's "Resolved" clause, repeated here:

> Shareholders request the Board of Directors' Business Transformation Committee – designed to "[oversee] management's efforts to transform the business and strengthen our foundation for sustained operational excellence and value creation"[1] – to oversee an assessment of the costs versus benefits of retaining Salesforce's headquarters presence in San Francisco compared to relocation in other potential states, by a third-party consultant if preferred. Consideration of other states' willingness to offer economic incentives should be evaluated, in addition to other obvious business factors. ***No report is requested, as an advisory vote is intended to simply represent shareholders' will, in an effort to improve corporate value and performance.*** (emphasis added)

The action requested to be taken is clear: Allow an advisory vote of shareholders. Regardless of outcome, no report is requested, nor is any other action required to be followed through upon. Should a majority, or a notable minority, vote to demonstrate that they believe a review of relocation factors is worthwhile, then the Board and/or company leadership would have the autonomy to decide whether to proceed on such an endeavor (or not).

The "Whereas" and Supporting Statement sections of the 500-word proposal serve to substantiate why Salesforce could consider relocation to a different state. With their investments at stake and the opportunity for financial returns to be enhanced – as has been deemed necessary by leadership of countless other business leaders that have removed their headquarters from the Golden State – shareholders deserve the opportunity to weigh in with a vote to convey to the Board how strongly they feel about the Company's current location, which includes the taxation burdens and regulatory shackles it must operate under in California.

But outlining reasons for why a company might consider an action does not mandate that it take such an action. The "Resolved" clause of the Proposal does suggest a course of review the Company might take in light of the evidence laid out that precedes

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[1] https://s23.q4cdn.com/574569502/files/doc_financials/2024/ar/salesforce-fy24-proxy-statement.pdf

it. The clear action sought by the Proposal is a "will of the shareholders" *advisory* vote, which without question falls under the purview of governance, not day-to-day operations or "ordinary business."

The pertinent aspects of Rule 14a-8 to the Proposal

The Proposal is allowable on the Proxy and not subject to no-action relief. Rule 14a-8(a) states: "A shareholder proposal is ***your recommendation or requirement*** that the company and/or its board of directors ***take action***, which you intend to present at a meeting of the company's shareholders. Your proposal should state as clearly as possible ***the course of action*** that you believe the company should follow."

While the Proposal's "Resolved" clause suggests possible steps the Board's Business Transformation Committee could undertake to evaluate options about Salesforce's headquarters location, the final sentence of the Proposal makes clear that "no report is requested," with only "an advisory vote" taken at the annual meeting "to represent shareholders' will" in order to express their perspective on how to "improve corporate value and performance."

Thus, in the Proposal's context, the ultimate action requested is nothing other than **a vote**. An inconsequential amount of Company manpower and resources would be needed for such a vote to be added to the annual meeting agenda. No ordinary business is implicated. For these same reasons, there also is no micromanagement. Considering the perspectives of investors at an annual meeting is governance-related, not ordinary business.

It is the *Company's* characterization, not the Proposal's request, that describes 'ordinary business'

The Company's no-action pleading states in part on Page 3:

> The Supporting Statement provides a list of hypothetical benefits of relocation, such as state-provided "tax breaks and other economic incentives," improvements to "the Company's capabilities to recruit talent," and opportunities to "sustain asset values[] and maximize revenues and profits." However, as the Supporting Statement demonstrates, the decision of where to locate the Company's headquarters involves an array of complex considerations and analysis of many factors, such as the state and local business and regulatory climate, state and local taxes, branding and reputational considerations, proximity to a global center for technology and innovation such as the Bay Area, ability to recruit high-caliber executives and employees, proximity to a major international airport, and financial, reputational, and other costs associated with siting or moving the Company's headquarters, among others. Evaluating these complex considerations are fundamental to management's ability to run the

> Company on a day-to-day basis and involve multiple nuanced considerations that are not appropriate to address through a stockholder vote.

The only reason for the Company's legal counsel to incorporate this information is to give Staff *the impression* that the Proposal affects ordinary business. Yet the information provided within the Proposal only serves to enlighten shareholders about significant challenges of running a business in California, with potential benefits of doing so elsewhere, for each voter to be as informed as possible in casting a vote ***that reflects his or her opinion*** about the matter.

The Company's request for no-action also twice misapplies the term "subject to direct shareholder oversight" when referring to the Proposal. Even if a vote on the resolution were to be held at the annual meeting, no such "direct oversight" by shareholders would be in play. The Board could proceed however it wished regardless of the vote outcome.

As to the significant policy issue consideration related to ordinary business – if Staff determines it applies – it would be one thing if there were no multiyear trend of significant numbers of population and companies departing from California. However, by nearly every metric, people and commerce are fleeing the state.[2] "California exodus" even has its own Wikipedia entry, unlike any other state.[3] According to the Santa Clara Business Law Chronicle:[4]

> The California Policy Institute counted more than 237 businesses that have left the state since 2005. Among these businesses were eleven Fortune 1000 companies... The economic impact from these departing companies is likely to be expansive.

A very simple Internet search on the topic turns up countless links and articles that address the mass departure from California. This is in addition to the weight of evidence presented in the Proposal. Other stories further catalogue the extensive damage inflicted upon the business climate with an epidemic of mass closures, above and beyond those that have sought friendlier conditions elsewhere.

These specific circumstances elevate the issue to a level of significance that exceeds ordinary business considerations. Further, above the "societal" aspect, it has direct, impactful consequences upon Salesforce and the interests of its shareholders –

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[2] Bruce E. Cain & Preeti Hehmeyer. "California's population drain," Stanford Institute for Economic Policy Research, October 2023. See https://siepr.stanford.edu/publications/policy-brief/californias-population-drain.

[3] See https://en.wikipedia.org/wiki/California_exodus.

[4] Robin Rhim, Chandler Baladjanian, and Kaylen Anderson. "The Corporate Departure from California," Santa Clara Business Law Chronicle, April 23, 2024. See https://www.scbc-law.org/post/the-corporate-departure-from-california.

ones that almost certainly account for more than five percent of the Company's assets as established under Rule 14a-8(i)(5).

Conclusion

Consequently, as outlined above in further explanatory detail, the Proposal is fully compliant with all aspects of Rule 14a-8. For this reason, NLPC asks the Staff to recommend enforcement action should the Company omit the Proposal.

A copy of this correspondence has been timely provided to the Company. I may be contacted via email at pchesser@nlpc.org or by telephone at (662)374-0175.

Sincerely,

Paul Chesser
Director
Corporate Integrity Project

Cc: Gibson, Dunn & Crutcher LLP (via shareholderproposals@gibsondunn.com)