

**AMENDMENT TO THE RULES COMMITTEE PRINT**  
**118-48**  
**OFFERED BY MR. BIGGS OF ARIZONA**

In division A, add at the end of title I the following:

1 **SEC. 1102. SHAREHOLDER PROPOSALS.**

2 (a) DEFINITIONS.—In this section:

3 (1) ACCELERATED FILER; LARGE ACCELERATED FILER.—The terms “accelerated filer” and  
4 “large accelerated filer” have the meanings given the  
5 terms in section 240.12b-2 of title 17, Code of Federal  
6 Regulations, or any successor regulation.  
7

8 (2) COMMISSION.—The term “Commission”  
9 means the Securities and Exchange Commission.

10 (3) MATERIAL.—The term “material”, when  
11 used to qualify a financial risk or financial return—

12 (A) means a financial risk or financial re-  
13 turn in which there is a substantial likelihood  
14 that a reasonable investor would attach impor-  
15 tance when—

16 (i) evaluating the potential financial  
17 risks or returns of an existing or prospec-  
18 tive investment; or

1 (ii) exercising, or declining to exercise,  
2 any rights with respect to securities; and

3 (B) does not include—

4 (i) furthering nonpecuniary, environ-  
5 mental, social, political, ideological, or  
6 other goals or objectives; or

7 (ii) any portion of a financial risk or  
8 financial return that primarily relates to  
9 events that—

10 (I) involve a high degree of un-  
11 certainty regarding what may occur in  
12 the long-term future; and

13 (II) are systemic, general, or not  
14 investment-specific in nature.

15 (4) NON-ACCELERATED FILER.—The term  
16 “non-accelerated filer” means an issuer that is not  
17 an accelerated filer or a large accelerated filer.

18 (b) AMENDMENTS REQUIRED.—Not later than 180  
19 days after the date of enactment of this Act, the Commis-  
20 sion shall amend section 240.14a–8 of title 17, Code of  
21 Federal Regulations, or any successor regulation, to pro-  
22 vide that the shareholder proposals that a company in-  
23 cludes on the proxy card of the company, and includes  
24 along with any supporting statement in the proxy state-

1 ment of the company, shall be determined in accordance  
2 with the following:

3 (1) A company shall determine the proposals to  
4 include with respect to any 1 annual or special meet-  
5 ing of shareholders as follows:

6 (A) Subject to paragraph (2), if the com-  
7 pany is a non-accelerated filer, the company  
8 shall not be required to include more than 2  
9 proposals submitted by shareholders.

10 (B) Subject to paragraph (2), if the com-  
11 pany is an accelerated filer, the company shall  
12 not be required to include more than 4 pro-  
13 posals submitted by shareholders.

14 (C) Subject to paragraph (2), if the com-  
15 pany is a large accelerated filer, the company  
16 shall not be required to include more than 7  
17 proposals submitted by shareholders.

18 (2) A proposal may not be included under para-  
19 graph (1) unless the proposal has a material effect  
20 on the financial performance of the applicable com-  
21 pany.

22 (3) The method for determining which pro-  
23 posals to include under subparagraphs (A), (B), and  
24 (C) of paragraph (1) shall be—

25 (A) determined by the company; and

1 (B) disclosed to the Commission.

2 (4) The order in which the company receives  
3 the proposals shall have no bearing in determining  
4 whether a proposal is so included.

5 (5) If any 2 or more proposals submitted are  
6 substantially similar, all such proposals shall be con-  
7 sidered to be a single proposal for the purposes of  
8 this subsection.

9 (6) No proposal submitted by a member of the  
10 board of directors of the company may be so in-  
11 cluded.

12 (c) RULES OF CONSTRUCTION.—Nothing in this sec-  
13 tion may be construed—

14 (1) to require a company to include a share-  
15 holder proposal in the proxy statement of the com-  
16 pany if, under rules prescribed by the Commission,  
17 the proposal otherwise is not required to be included  
18 in the proxy statement;

19 (2) to authorize or approve any Commission  
20 rule or claim of authority to require a company to  
21 include the proposal of a shareholder in the proxy  
22 statement of the company; or

23 (3) to restrict the ability of the Commission to  
24 repeal any rule requiring a company to include the

- 1 proposal of a shareholder in the proxy statement of
- 2 the company.

