



HOW TO FILE A SHAREHOLDER RESOLUTION

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I. WHAT IS A SHAREHOLDER RESOLUTION?

Shareholder resolutions, also known as shareholder proposals, are an important investor tool typically used when a dialogue with a corporation on a given issue stalls or is unproductive.

Five hundred words in length (roughly one page), resolutions contain a formal resolved clause, which is a specific request or “ask”, and a number of carefully-researched rationales in the form of “whereas clauses”.

Resolutions typically ask corporations to disclose information, to measure and report on the potential impacts of their operations, or to adopt or change policies and practices to mitigate against those potential impacts.

II. WHY FILE A SHAREHOLDER RESOLUTION?

Shareholders file resolutions for a variety of reasons:

Escalation: When dialogue has proven unsuccessful or a company is unresponsive, filing escalates the engagement beyond Investor Relations directly to the Board, with the potential to go in front of all shareholders for a vote at the company’s annual meeting;

Education: Resolutions are included in a company’s annual proxy statement, provided to all shareholders ahead of the annual meeting, which is an effective way to inform other investors about your issue; and,

Public pressure: Resolution filings signal that investors are willing to air their grievances publicly and in the press, which often brings management to the table.

NOTE

Even if they receive the support of a majority of shareholders, **shareholder proposals are advisory and non-binding**, and it is up to the board and management to decide whether to comply with the resolution’s request. That said, when proposals do pass, most companies see the importance of complying with shareholders’ demands to avoid further escalation.

III. REQUIREMENTS FOR FILING

STOCK OWNERSHIP

Shareholders wishing to file a resolution must:

- Hold \$25,000 worth of a company’s stock **continuously** for **1 year** before the date the proposal is submitted; OR
- Hold \$15,000 worth of a company’s stock **continuously** for **2 years** before the date the proposal is submitted; OR
- Hold \$2,000 worth of a company’s stock **continuously** for **3 years** before the date the proposal is submitted.

You must also **continuously hold your stock through the date of the company’s annual general meeting** or be barred from re-submitting that resolution at the company for 2 years.

Some companies have non-voting or partial voting stock (i.e., B and C shares). Check with your investment manager to **ensure you own the right class of stock to file** a shareholder resolution.

You can file resolutions with as many companies in your portfolio as you like during a given filing season if you meet the requirements described in the following pages; however, **you can only file one resolution per company in a single year.**

PROOF OF OWNERSHIP

Your resolution must be accompanied by [a letter from your broker/bank attesting to your continuous ownership of the required number of shares](#) for the requisite period through, or including the submission date, according to the formula above.

You can include the proof of ownership with your resolution and cover letter, OR your custodian can send it directly to the company. (Record owners are sometimes unwilling to provide the letter before 5 pm on the submission date.)

Best practice: We recommend that you have the proof of ownership sent directly to you rather than the company, so you can check for defects.

Caution: Whether the proof is sent by the filer or the custodian, it must show continuous ownership through the **date on which the proposal is submitted.**

If a company requests your verification letter, you have **14 days to send it in.**

RE-FILING OF RESOLUTIONS

If you are **refiling** a resolution that has previously been filed at the company, be aware that it must have reached the following **vote thresholds** to be eligible for refiling:

1st Year Vote: 5% - A new resolution must be approved by at least 5% of shareholders to be eligible for refiling a second time;

2nd Year Vote: 15% - A resolution filed a second time must be approved by at least 15% of shareholders to be eligible for refiling a third time;

3rd Year Vote: 25% - A resolution filed a third time (and every time thereafter) must be approved by at least 25% of shareholders to be eligible for refiling.

In addition, a resolution that is omitted cannot be refiled for 3 years.



NOTE

The resubmission threshold applies not only to the proposal itself **but to any proposal with “substantially the same subject matter”** as the proposal. In July of 2022, the SEC proposed an amendment; if adopted, the resubmission threshold would apply only to a proposal that “addresses the same subject matter and seeks the same objective by the same means.”

FILINGS BY A REPRESENTATIVE

When a proposal is filed by a **representative** of the shareholder (such as an investment firm filing on behalf of a client), a different set of rules is triggered. The representative must include a **separate letter** from the individual authorizing them to file on their behalf.

This letter:

- Identifies the company to which the proposal is directed;
- Identifies the annual or special meeting for which the proposal is submitted;
- Identifies you as the proponent and identifies the person acting on your behalf as your representative;
- Includes your statement authorizing the designated representative to submit the proposal and otherwise act on your behalf;
- Identifies the specific topic of the proposal to be submitted;
- Includes your statement supporting the proposal; and
- Is signed and dated by the shareowner.

NOTE

If a filer's representative puts together materials that are then filed on the beneficial owner's letterhead by the beneficial owner, then the requirements listed in this section do not apply.

FILINGS FACILITATED BY A REPRESENTATIVE

Alternatively, a **representative** of the shareowner can draft a cover letter to be submitted on the letterhead of the individual proponent and **filed directly by the proponent**.

Such a cover letter could also designate the representative to receive subsequent communications. We recommend that any such designation be listed prominently and highlighted visibly in the letter.

The individual proponent's authorization letter should include the investor's "statement of support" for the proposal. The statement could be as simple as "I support the proposal" or it could include a discussion of the reasons why the individual proponent supports the proposal.

IV. FILING DEADLINES

Your filing materials must be received at the company by the filing deadline published in its annual proxy statement (aka its DEF14a SEC filing – available on its investor relations website) for your resolution to be eligible for shareholder voting at an AGM. Most filing deadlines occur in the **fall or winter**, with the earliest filings taking place in the first week of August.

Publicly-traded companies set their filing deadlines anew each year; these deadlines vary slightly from year to year, but generally only by a day or two. (Caution: there are often multiple deadlines published in the proxy - for board nominees, proposals to be included on the proxy, and other business-related proposals).

Proposals with fall and winter deadlines going to a vote appear will appear on the proxy in the spring. In general, the AGM takes place at least 180 days after the filing deadline.

A resolution will appear on the company's proxy statement unless the company successfully challenges it at the SEC through a no-action request, OR the lead filer decides to withdraw it, either for an agreement or for tactical reasons.

ICCR researches and compiles filing deadlines as a service for its members; these dates are posted in ShareEx, ICCR's collaborative corporate engagement platform, and distributed via ICCR's Members Bulletin.

V. WRITING A SUCCESSFUL RESOLUTION

A successful shareholder resolution is one that avoids (or wins) an SEC challenge (aka, a "no-action" request) and secures a strong vote. The support of proxy voting services and proxy advisors, whose voting recommendations have a significant influence on the voting decisions of major shareholders, is extremely important in building the vote for your resolution. Institutional Shareholder Services (ISS) and Glass Lewis are the top two proxy advisory services.

There are 3 themes that both the SEC and proxy advisory services consider when evaluating resolutions:

1) **Is this a real risk to the company**, and could it have an impact on long-term shareholder value, in terms of:

- Legal, reputational, and financial risks;
- Proposed regulation/legislation;
- Consumer demand; and,
- Performance versus peers.

NOTE

Before drafting your resolution, we strongly encourage you **to engage with impacted stakeholders to inform your resolution's ask.**

2) Based on company disclosure, **is the company managing this risk** or taking steps to reduce the risk?

3) How prescriptive is the request? Does it allow for **multiple possible solutions or just one specific solution?**

STRUCTURE AND CONTENT

Every resolution contains a "Resolved" clause: In one clear sentence, the resolved clause frames the 'investor ask'. Least-challenged requests are either for disclosure via reporting or the development and modification of policies. Overly-prescriptive requests are often challenged by companies at the SEC on the grounds of being "ordinary business".

Follow with “Whereas” or Supporting Statements: These are a series of compelling rationales for your request. Provide as many research/fact-based support statements as possible with citations.

Always include a clear business and investor case. If making a moral case, it should be made within the business/investor context.

Make only one request: Including more than one “ask” in your resolved clause can be grounds for an omission by the SEC.

WRITING AN EFFECTIVE RESOLVED CLAUSE

Sample 1: This is a resolved clause from a 2022 proposal that won the support of 95% of company shareholders. It calls for disclosure and avoids being prescriptive:

Resolved: Shareholders request that Jack in the Box issue a report, at a reasonable cost and omitting proprietary information, discussing if and how the Company could advance its environmental sustainability efforts by developing a comprehensive sustainable packaging policy.

Sample 2: This is a resolved clause from a 2022 proposal that won the support of 64% of company shareholders. It calls for a racial equity audit.

Resolved that shareholders of MAXIMUS, Inc. (“MAXIMUS”) urge the Board of Directors to oversee a third-party racial equity audit analyzing MAXIMUS’s impacts on nonwhite stakeholders and communities of color. Input from civil rights organizations and employees should be considered in determining the specific matters to be analyzed. A report on the audit, prepared at reasonable cost and omitting confidential and proprietary information (including information relevant to any legal claims against MAXIMUS that are pending or about which MAXIMUS has notice), should be publicly disclosed on MAXIMUS’s website.

WORD COUNT

The text of your resolution may not exceed **500 words**, including any citations (i.e., links). Word count includes the resolution title as well as the words in the “supporting statement”.



What counts as a “word”? Symbols that can be spelled out as a word, such as & (and) and % (percent), are counted as words. For instance, the degree symbol is a word, and C (for Celsius) is a word, even if both of those things are run together with a number like 2°C or 1.5°C. Each footnote counts as one word.

If a phrase is defined and abbreviated, such as “paid sick leave (PSL)”, then subsequent uses of the abbreviation “PSL” are counted as one word. However, abbreviations or acronyms that have not been defined earlier in the proposal get unpacked and counted as multiple words. So if you use “U.S.” throughout the

proposal, that counts as two words each time. Any hyperlink counts as one word, while other citations count as the separate words listed in them.

Hyphenated words count as multiple words rather than one.

[Graphics can be included](#) but any words included in your graphic count towards the 500-word maximum.

To ensure you do not exceed the 500-word cap, do not just follow the word count in MS Word but verify the word count by following the steps above.

VI. MATERIALS YOU WILL SEND TO THE COMPANY

By the close of business on or before the company's filing date, email, fax, mail, or overnight to the Corporate Secretary your ['filing packet'](#) which consists of:

- **A cover letter;**
- **The resolution;** and,
- **Verification of your stock ownership** (or indicate that it is being sent under separate cover).

NOTE

Companies are **not** required to accept filings made via any method not explicitly listed in their proxy statements. Thus if email is not directly stated as an acceptable method, your emailed filing may not be accepted by the company.

Sending your letter via FedEx, UPS or other sign-upon-receipt delivery methods is preferable to email and faxing materials since you will have a record of delivery/receipt. (Ask for confirmation if using email.) You should retain this receipt in case a company claims that it didn't receive your letter. Some investors prefer to send their filing in via multiple ways, to better ensure the filing packet arrives in time. Express or overnight shipping services are recommended if you are submitting your materials close to the filing deadline.

WHAT TO STATE IN YOUR COVER LETTER

- **Lead filers** should indicate if **they will be joined by co-filers**.
- State that you "submit this resolution for inclusion in the proxy statement in accordance with **Rule 14a-8** of the general rules and regulations of the Securities Exchange Act of 1934," and that:
- "A **representative** of the filers will attend the annual meeting to move the resolution as required by SEC rules."
- **Co-filers** should state that they are "**co-filing with** [name of lead institution]"; otherwise the company may treat your filing as a duplicative resolution and exclude it from the proxy.

Below are links to several best practice letter examples:

[An investor filing a proposal as a solo or lead filer](#)

[An investor filing a proposal as a co-filer](#)

A WORD ABOUT CO-FILING AND COLLABORATION

The investor who leads a group of investors in filing a shareholder resolution is called the ‘lead’ or ‘primary’ filer and is the company’s main point of contact for any further action. (Occasionally, a resolution may have 2 co-lead filers.) The lead filer also ensures that all co-filers have the correct final resolution text.

In general, the lead filer is responsible for creating a near-complete draft of the resolution and will ask the more active co-filers to provide feedback (this consultative model is not practiced by all lead filers, however.)

The ICCR coalition is unique in its commitment to collaboration. We find that our members’ corporate engagements are made more effective by the incorporation of different viewpoints and strategies. This is particularly true for the resolution filing process where teams of investors frequently share the work, and our more experienced members help to mentor those newer to the proxy process.

Before filing, the group decides in advance:

- What are the near and long-term objectives in filing this resolution?
- What will the next steps be if the company is able to omit the resolution?
- What agreements must the company commit to for the filers to be willing to withdraw the proposal?



IF YOU ARE A CO-FILER

Contact the ‘lead’ filer. If you are planning to co-file a resolution, contact the lead well before the filing deadline and request a copy of the resolution.

You must **wait until the ‘lead’ filer files** his/her resolution packet before you can send in your co-filing materials to the company. The lead filer will notify you when you and any other co-filers are free to file.

VERIFYING SHARES OWNED

Depending upon the length of time you have owned your shares, state one of the following in your cover letter:

- A. If you have held shares for **at least a year but under 2 years**, state that your institution “has continuously owned, for at least one year as of the date hereof, at least \$25,000 worth of the Company’s common stock”.
- B. If you have held shares for **at least 2 years but under 3 years**, state that your institution “has continuously owned, for at least two years as of the date hereof, at least \$15,000 worth of the Company’s common stock”.
- C. If you have held at least \$2,000 worth of shares for **3 or more years**, state that your institution “has continuously owned, for at least three years as of the date hereof, at least \$2,000 worth of the Company’s common stock”.

Next, state that you “**intend to continue to hold such shares** through the date of the company’s annual meeting of shareholders in 202X.”

ADDITIONAL PHRASES

- Name your institution’s **authorized contact person** on the resolution and provide contact details.
- Optional: you can also make a **statement of concern** about the issue addressed in the resolution

AVAILABILITY TO MEET

Lead filers must provide a minimum of **2 days/times that they will be available to meet with company representatives** to discuss the proposal. The dates offered must be **within 10-30 days of** the date at the top of the filing letter.

Co-filing investors should **designate their lead filer as the representative for this meeting**. State that “In its submission letter [lead filer] provided dates and times of ability to meet. We designate the lead filer to meet initially with the company but may join the meeting subject to our availability.”

NOTE

If a co-filer does not wish to authorize the lead filer to represent them in this meeting, the co-filer must agree on dates and times with the lead filer and ALL OTHER CO-FILERS. We therefore recommend that co-filers designate the lead as their representative for this meeting.

VII. WHAT HAPPENS AFTER YOU FILE?

After you file, **you wait for the company to respond**. A company might:

- Not respond, and let the proposal go to a vote without interacting with the filers;
- Ask you and the other filers to withdraw your resolution; or,
- Challenge the resolution at the SEC by filing a no-action request.

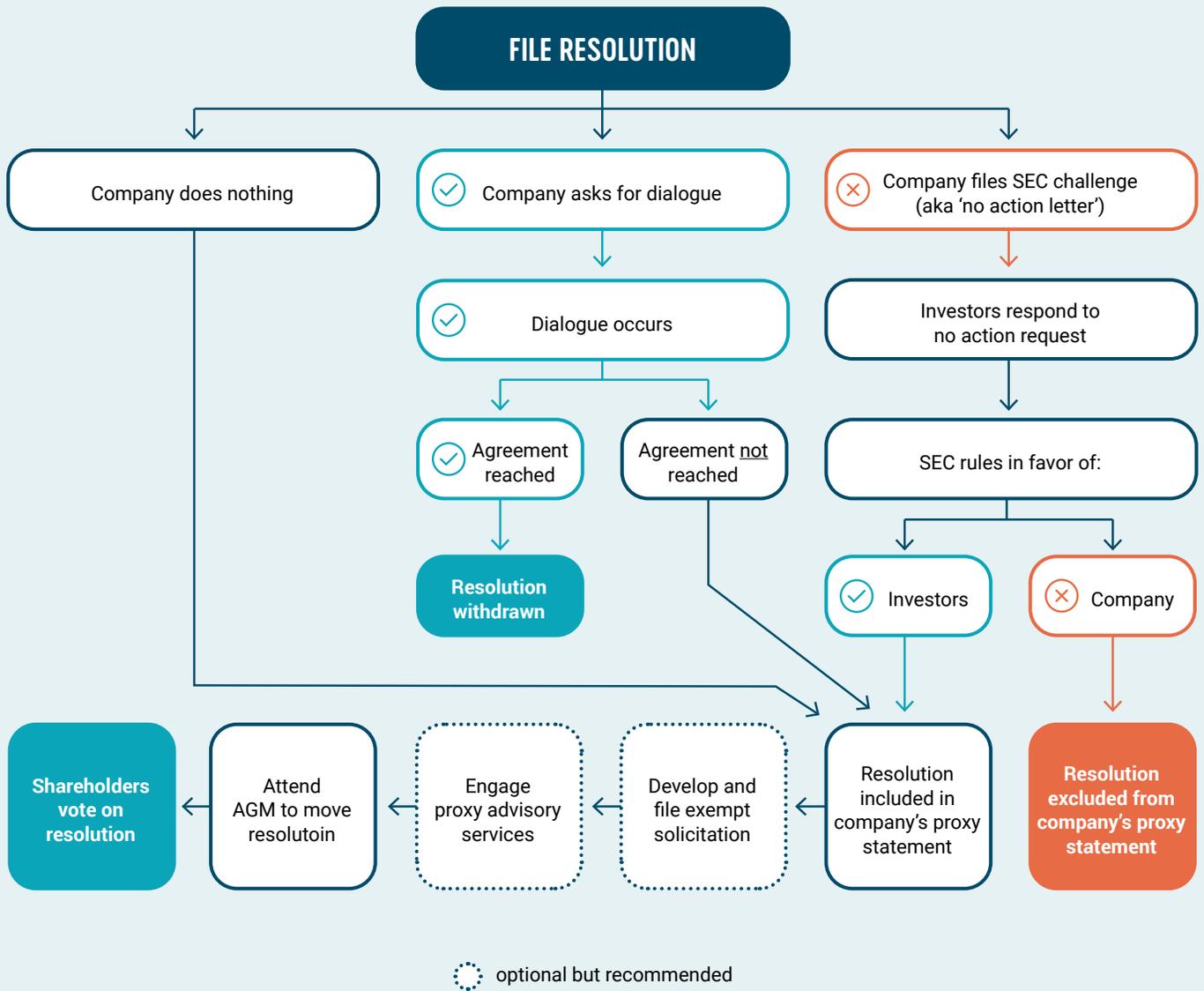
TIMELINE

If a company challenges your resolution, it must notify you and any co-filers **no fewer than 80 days** before it intends to file its proxy statement with the SEC.

If the company is giving you notice of a ‘**curable defect**’ in your resolution (such as exceeding the 500-word max, or deficiencies in your proof of ownership letter) **a company has 14 days** after receiving your resolution to notify you.

In either case, you then have approximately 30 days in which to respond to the challenge. Let the SEC know if you plan to do so.

ILLUSTRATION OF THE FILING PROCESS



TIMELINE SUMMARY

No less than 120 days before the release date of the prior year's annual meeting proxy statement	Deadline to submit a shareholder proposal.
14 days (after submission)	A company has 14 days after receiving your proposal to ask you to fix any procedural requirements (such as proof of ownership or word count).
14 days (after notification)	You have 14 days after being notified by the company to fix any procedural requirements.
80 days (before the proxy is printed)	A company has up to 80 days before its proxy is printed to challenge your proposal at the SEC via a no-action request.
ASAP (after no-action request)	You should immediately notify the SEC that you plan to appeal the company's no-action request. Within 30 days of receiving the no-action request, submit your appeal. NOTE: the SEC does not have to wait for your appeal to make its decision.
Any time <i>after</i> the no-action request	The SEC issues its decision on the company's no-action request.
Any time <i>before</i> the AGM	You can withdraw your proposal.
30 days <i>before</i> the proxy is printed	Company issues its Management Statement recommending how to vote on the proposal, to be printed in the proxy.
Any time (usually 6 weeks) before AGM	Proponent publishes or files Proxy Memo / Exempt Solicitation
~30 days <i>before</i> AGM	Proponent "builds the vote" with proxy advisory services (ISS and Glass Lewis) and major shareholders.
4 days <i>after</i> AGM	Company files its 8-K with proposal vote results.

Table courtesy of Natalie Wasek, Seventh Generation Interfaith Coalition.



WHAT IS AN SEC CHALLENGE?

A company may challenge your resolution by asking the SEC for permission to exclude it from its annual proxy statement (aka, a 'no-action' request). It will send you a copy of its letter, which will also be posted on the SEC's website. The lead filer can but is not required to defend his/her resolution in writing. One of two things will then happen to your resolution:

- **It may be omitted:** If the SEC agrees with the company after both parties make their cases, your resolution will be omitted from the company's proxy materials. In this case, the resolution cannot be re-filed at the company for the next 3 years.
- **It goes on the proxy:** If the SEC agrees with the lead filer's arguments, the company must print the resolution in its proxy materials which are distributed to all shareholders; it will then be presented for a **vote** at the AGM.

If your resolution is challenged and you are concerned that the SEC is likely to rule in the company's favor, you can opt to withdraw your resolution before the SEC staff issue their decision, preventing omission and thereby preserving your right to file on a similar topic at the company the next year.

Additionally, in the case of certain bases for exclusion such as "false and misleading statements" the SEC Staff will issue a determination stating that the company's request is denied, as long as the proponent revises the proposal in a particular way within a short period of time (this seldom occurs).

NOTE

A company may challenge a resolution on one or multiple grounds, and it need only convince the SEC that it is right on one of them for the resolution to be omitted. Shareholders, meanwhile have a bigger burden of proof and must convince the SEC staff *on all challenge grounds* in order to win.

COMMON GROUNDS FOR AN SEC EXCLUSION

There are several **procedural/technical filing errors** that are grounds for exclusion: i.e., your letter arrived after the filing deadline; you didn't own your shares for a full year; your resolution exceeded 500 words; or you didn't submit proof of ownership.

In addition to procedural errors in your filing, [the SEC has 13 "substantive bases for exclusion":](#)

The Most Common "Substantive" Bases for Exclusion Are:

- **Ordinary business:** The resolution deals with a matter relating to the company's ordinary business operations;
- **Substantially implemented/moot:** The company has already substantially implemented the main requests of the proposal;

- **Duplicative of another resolution:** Another filer has already sent the company a similar resolution; and
- **False or misleading** statements.

SEC CHALLENGES – A TIMELINE

14 days (after submission)	A company has 14 days after receiving your proposal to ask you to fix any procedural requirements (such as proof of ownership or word count).
14 days (after notification)	You have 14 days after being notified by the company to fix any procedural requirements.
80 days (before the proxy is printed)	A company has up to 80 days before its proxy is printed to challenge your proposal at the SEC via a no-action request.
ASAP (after receiving a no-action request)	You should immediately notify the SEC that you plan to appeal the company’s no-action request. Within 30 days of receiving the no-action request, submit your appeal. NOTE: the SEC does not have to wait for your appeal to make its decision.
Any time after receiving a company’s no	The SEC issues its decision on the company’s no-action request.
Any time before the AGM	You can withdraw your proposal.

WHAT IF THE COMPANY DOESN’T CHALLENGE?

After receiving your resolution, the company may approach you and your co-filers and **offer to negotiate an agreement in return for the proposal’s withdrawal**. The company may for instance agree to issue a requested report or institute a policy change. If its concessions are substantial, withdrawing may be a good way to advance progress on the issue. It is, however, important for **all filers to agree on withdrawal criteria in advance**. If withdrawn, your resolution will not appear in the proxy, unless the filers negotiate to have the agreement referencing the proposal included in the proxy (or the resolution is withdrawn after the proxy is printed).

If the company takes no action, or loses its SEC challenge, then your resolution **will be voted** on by all shareholders at the Annual General Meeting (AGM).

VIII. STRATEGIES FOR BOOSTING YOUR RESOLUTION'S VOTE: WRITING A PROXY MEMO OR PROXY EXEMPT SOLICITATION

Proxy memos and exempt solicitations afford another opportunity to more fully make your argument to other shareholders, as they aren't restricted to the 500 maximum word count of a resolution. They can be used to solicit votes in favor of your resolution and to rebut management's statement of opposition. ICCR publishes its members' exempt solicitations and memos on its public website each year.

The audience for proxy memos and exempt solicitations are your fellow investors/stakeholders, proxy advisory services, analysts, and members of the press.

Be ready to release your memo or solicitation right after the company's proxy comes out, which is 30-45 days before the AGM (because proxy advisory services will usually write up their reports 45 days out). Note that due to capacity issues, many shareholders don't actually cast their votes until right before the voting deadline, so memos/ solicitations issued outside of this 30-45 day window can still influence the vote.



Your memo/solicitation should contain the following parts:

- Resolution summary;
- The rationale for a "Yes" vote (risks and opportunities, comparison with peers, how shareholder value might be at risk);
- Lead filer's contact information; and,
- Be 3-7 pages in length.

PROXY EXEMPT SOLICITATIONS: ADDITIONAL STEPS

Proxy Exempt Solicitations (SEC Form PX14A6G) have additional requirements that proxy memos do not. They are filed through the EDGAR filing system on the SEC's website.

The advantage they hold over proxy memos is that they are publicly available once filed and **have wide distribution to all analysts and shareowners.**

Before you begin you will need a [CIK \(central index key\)](#) to electronically file your exempt solicitation on EDGAR. [You can apply for one here.](#)



TO START AN EXEMPT SOLICITATION

Reach out to Securex. Securex is a full-service financial printer and SEC EDGAR filing agent providing a complete range of electronic document conversion (EDGARizing) and filing solutions to public companies, mutual funds, investment firms, and individuals. The Securex toll-free # is: 877-732-3453.

Securex Fees: \$125 set-up / live filing fee, AND \$10 per page.

Steps:

1. Email the Securex Filing Department file@securexfilings.com with a word document attached. Sample message:
Attached is an exempt solicitation regarding [Company Name] for EDGAR filed by [Name of your institution].
2. Securex will send back a pdf proof; review it and sign the authorization form on page 1, then send it back.

ENGAGING WITH PROXY ADVISORIES AND LARGE ASSET MANAGERS

Large institutional investors pay proxy advisory firms to both advise them on how to vote their shares each proxy season and sometimes to also vote shares on their behalf if this is not done in-house. Thus, it is important to make a strong case with proxy advisors for why they should support your proposals. The two largest firms are **Glass Lewis** and **Institutional Investor Services (ISS)**. To set up a meeting:

- **Request a call** (up to an hour) with ISS and Glass Lewis for roughly 12 weeks before the company's AGM. For most companies, this means January through mid-February. Glass Lewis will not speak to you once a company's proxy materials are published, though ISS seems more flexible. You may present multiple proposals in one call and can send materials about the proposals you intend to discuss in advance of the meeting.
- **Prepare your presentation/slide deck in advance.** Briefly summarize the key points in your proxy exempt solicitation, making a strong business case.

Glass Lewis: Proponents may request a meeting with Glass Lewis [here](#). Glass Lewis also accepts feedback about its policies throughout the year via a dedicated mechanism on its [public website here](#).

ISS: Since 2005, ISS has been inviting asset managers, asset owners, alternative investment managers, corporations, and market constituents to provide input into its proxy voting policies worldwide via its Feedback Review Board.

PRESS CAMPAIGNS

Depending on the company and the issue, publicity featuring your resolution may help influence fellow investors and apply pressure on the board and management to negotiate a successful withdrawal.

Press outreach generally begins with a press release at the time of filing and another release announcing its outcome.

In the case of campaigns involving multiple companies or one company with multiple resolutions, organizing a press conference can help secure broad press coverage.

IX. ATTENDING THE AGM: WHAT TO EXPECT

The annual general meeting of shareholders (AGM) is the one time in the year when CEOs and the board are obligated to present themselves to their shareholders and submit to their questions. ICCR members use the Q&A session at AGMs to engage both the CEO and board on myriad ESG concerns, often resulting in on-the-spot commitments by the company.

If you are the lead filer and your resolution makes it onto a company's proxy statement, **you must attend and present it at the company's AGM** or arrange for someone else to attend and present it on your behalf. If no one appears at the AGM to present your resolution, it may be omitted and the filer and co-filers will be barred from resubmitting it for the next 2 years. However, a new filer can sponsor the same resolution the next year.



The AGM may be in-person, virtual-only, or hybrid based on company protocol. For virtual/hybrid meetings, companies will either offer live presentation, or request pre-recorded audio or video of your speech. Information on attending the AGM is published in the company's proxy statement and deserves a careful read. You can also ask the company in writing if there are any additional procedural requirements beyond whatever it has indicated in its proxy (i.e., time limit, admission requirements). ICCR has issued a set of [helpful tips for participating in virtual AGMs which you can read here](#). For in-person and hybrid AGMs, you can make arrangements with the Corporate Secretary regarding where you sit (i.e., close to the mic).

Accepted AGM representatives: State law determines who can represent you at an AGM. You may choose to give your proxy to another stakeholder (such as an impacted worker) better suited to represent your advocacy issue. If so, you must advise the Corporate Secretary in advance and provide the required information.

Gaining Entry to the AGM: Each company has different requirements for gaining entry into an AGM. Attending as a speaker to move your shareholder proposal is typically coordinated far in advance. Shareholders attending as a guest or seeking to participate in the Q&A typically need a control number affiliated with a shareholder's proxy ballot to obtain a ticket, and may be asked to show an ID when entering. Check with the Corporate Secretary/ Legal Counsel well in advance of the AGM to ensure you have the required documentation.

AGM FORMAT

If the company is large and well-known, the AGM may feature guest speakers and have thousands of attendees. In the case of smaller companies, the AGM can be intimate, with just a dozen shareholders.

AGMs typically begin with a “call to order” followed by opening remarks from the Chair/CEO, before proceeding to matters going to a vote. Election of directors occurs first, followed by ratification of the auditors and then an advisory vote on executive officer compensation. Voting on shareholder proposals comes next, and there may also be a report of preliminary voting results. Usually, this is followed by a Q&A session with management, and then the AGM is adjourned.



Moving the Resolution/AGM Statements: Companies allow shareholders a few minutes (usually between 2 and 3) to speak and move the resolution at the AGM. Ask the Corporate Secretary in advance to confirm the time you have been allocated so you can plan your statement accordingly. The filer or their representative formally ‘moves’ the resolution by reading a prepared statement. These statements are an important opportunity to address the company’s Board directly and advocate for your resolution. **For this reason, we strongly advise you to prepare and vet your statement well in advance with other stakeholders.**

If you are unable to attend at the last moment call the Corporate Secretary or Legal Counsel as they may move the resolution for you. Alternately, another shareholder may be willing to present the resolution on your behalf.

At the close of the AGM, the Corporate Secretary typically announces the preliminary results of voting or at least lets shareholders know whether their proposals passed or failed. **Companies are required to disclose preliminary vote results within four business days of the AGM** and final voting results within four business days after those results are known. Final vote tallies are published in the company’s 8-K form.

X. KEEP THE MOMENTUM GOING: NEXT STEPS

The life cycle of a resolution doesn’t end after the vote, and so you **should seek to keep the momentum going.**

- Schedule a **follow-up dialogue** with company representatives regarding next steps.
- If you win a **majority or near-majority vote**, hold management accountable for implementing the resolution’s asks. While shareholder resolutions are non-binding, a majority (or even a near-majority) vote holds tremendous sway. If a company refuses to implement your ask, consider implementing a “Vote No” campaign against its directors the following year.

- If your resolution **wins a strong enough vote to be re-filed**, refile it the next year to keep the issue in front of shareholders and the board. Many resolutions achieve increasing support over time.
- **If the vote is low**, consider changing the resolved statement or overall approach to gain more traction with shareholders.
- Make note of **which proxy advisors/asset managers did not support your resolutions**, and the reasons they disclosed (if any); this will help you understand who you need to influence the next year.

FINAL NOTES FOR ICCR MEMBERS

Before starting to draft a resolution, ICCR members are encouraged to log into ShareEx to make sure a resolution on the same topic has not already filed/planned for the company for the year in question. We also ask that ICCR members enter all of their resolutions in ShareEx each year to prevent accidental duplication of effort.