The SEC has filed a proposal to rescind Rule 14a-8, which for more than eight decades has governed the filing of shareholder proposals in company annual meeting proxy statements. In response, Josh Zinner, CEO of the Interfaith Center on Corporate Responsibility (ICCR), issued the following statement:

"This SEC's proposal to rescind Rule 14a-8 is an attack on the fundamental rights of shareholders, and eliminates the decades of precedent that has facilitated productive engagement between investors and companies. The move by the SEC is the latest in the broader attacks on corporate accountability mechanisms that create sensible guardrails on corporate conduct for the benefit of the public.

For over 50 years, ICCR members and other investors focused on safeguarding the long-term value of their holdings have engaged the companies they own via the shareholder engagement process as a key instrument for constructive dialogue. These engagements have led to many commonplace improvements in corporate risk mitigation, resulting in governance policies now considered best practices in a wide range of industries.

We were disappointed to see that the SEC's announcement has unfortunately repeated tired attacks, consistently disproven, against shareholder proponents and against topics related to environmental and social risks and good governance. These ideological attacks ignore the fact that many resolutions address material risks that affect the bottom line. And that filers often include pension funds and other investors who see it as part of their fiduciary duty to raise these issues with companies. And of course, such attacks ignore the wealth of improvements by companies in governance and transparency that directly benefit investors.

ICCR plans to respond vigorously to this unprecedented threat to the rights of shareholders, which would erase a rule first adopted in 1942 to protect investors and ensure sound corporate governance and accountability. ICCR, together with our members and partners, is committed to taking steps to prevent the SEC from abdicating its investor protection mandate."

In addition, ICCR General Counsel Beth-Ann Roth commented:

"From a legal perspective, the SEC is on shaky grounds. Congress was clear in its mandate to the SEC that it promulgate rules to ensure fair corporate suffrage, and to do so in a manner consistent with Congress's grant of broad latitude to the SEC to fashion those rules in a way that fosters full disclosure. The need for those rules did not arise in a vacuum. As Congress noted, more – not less – was needed to cure corporate abuses that had previously left shareholders without adequate information. The SEC has repeatedly cited that authority over the decades as its basis for adopting the rules, going so far as to state that it would be materially misleading for a company to omit a shareholder proposal from its proxy statement once it had notice that it would be brought before the meeting.

Finally, foisting onto the states what is definitively an SEC responsibility – *i.e.*, to provide a disclosure framework for information that must appear in a proxy statement - would itself cause the incursion into state territory which the SEC decries, and create a patchwork and chaotic approach lacking in the uniformity on which both companies and shareholders rely.”