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November 20, 2026

VIA ELECTRONIC SUBMISSION

Vanessa A. Countryman

Secretary

U.S. Securities and Exchange Commission

100 F Street, NE

Washington, D.C. 20549-1090

Re: File No. S7-2026-32 — Rescission of Rule 14a-8's Federal Regulation of Shareholder Proposals and Amendments to Rule 14a-4

Dear Secretary Countryman:

British Columbia Investment Management Corporation (BCI) appreciates the opportunity to comment on the Securities and Exchange Commission's (SEC or Commission) proposal to rescind Rule 14a-8 and amend Rule 14a-4 (File No. S7-2026-32, the "Release"). BCI manages CAD $314 billion (about USD $226 billion) in assets for pension, insurance, and trust fund clients, representing approximately 725,000 beneficiaries in British Columbia and beyond. About 39% of our assets are invested in U.S. markets across all of our asset classes. BCI makes its investment decisions independently of the Government of British Columbia, and we submit this letter in our own capacity as an investor acting for our clients.

BCI supports the Commission's existing framework for shareholder proposals under Rule 14a-8 and its current approach to discretionary voting authority under Rule 14a-4(c). Our focus is a financial one since shareholder proposals are one of the tools we use to protect the long-term value of our clients' U.S. holdings., and both proposals would weaken this tool.

We note our support for the positions taken in the Council of Institutional Investors' and the International Corporate Governance Network's comment letters on this Release, both of which address the empirical record in great detail.

The Role of Shareholder Proposals in Our Stewardship Activities

BCI engages in constructive dialogue with portfolio companies to protect and enhance long-term value for our clients and their beneficiaries. The shareholder proposal process is an important mechanism in our stewardship toolkit, used selectively when direct engagement proves insufficient. The overwhelming majority of shareholder proposals filed under Rule 14a-8 are precatory, or non-binding, leaving management and the Board with the flexibility to decide how to respond.

From 2016 through 2025, shareholders submitted an average of 881 proposals per year across 444 Russell 3000 companies, meaning about 15% of them received a proposal in any given year, concentrated among the largest issuers (S&P 500 companies received roughly 78% of all

proposals). Of the proposals that went to a vote, 46% received more than 30% support and 13% received majority support.[1] These figures show a targeted tool, used by a small number of investors at a small share of companies.

The shareholder proposal process has also helped make U.S. capital markets more resilient by giving investors a channel to flag emerging risks. In 2004, for example, a shareholder proposal at AIG asked for a review of the company's subprime lending practices and related executive compensation incentives; the board opposed it as unnecessary, and it received only 2.8% support.[2] Subprime-related losses later contributed to one of the largest government bailouts in U.S. history.

In 2017, shareholders at McKesson Corporation proposed separating the company's CEO and board chair roles, citing the company's role in distributing opioids; the proposal received 40.3% support.[3] In 2020, a Johnson & Johnson proposal requesting a report on the company's governance of opioid-related risks received 60.9% support and passed.[4] In 2022, McKesson and two other distributors agreed to pay up to $21 billion, and Johnson & Johnson agreed to pay up to $5 billion, to resolve opioid-related litigation.[5]

Reliance Concerns for Long-Term Investors

This Release follows two recent actions that already affect how Rule 14a-8 operates in practice: the Division of Corporation Finance's November 17, 2025[6] and August 14, 2026[7] statements suspended most substantive no-action review under Rule 14a-8, removing the independent review that has historically provided procedural fairness and predictability. This proposal would go further and eliminate the rule altogether. Institutional investors have built engagement and voting programs around the availability of Rule 14a-8 for more than eight decades.[8] BCI's reliance on this mechanism is documented in our stewardship reporting and our proxy voting guidelines, which state that BCI "will support shareholder proposals and communicate with companies on issues that

[1]Council of Institutional Investors, "Frequently Asked Questions about Shareholder Proposals," https://www.cii.org/shareholderproposals (citing CII research and ISS data).

[2]American International Group, Inc., Definitive Proxy Statement (Schedule 14A), 2004, Shareholder Proposal III (subprime lending); American International Group, Inc., Form 10-Q for the quarter ended June 30, 2004, Part II, Item 4 (reporting the vote: 58,300,415 shares for, 2,004,684,659 against).

[3]McKesson Corporation, Form 8-K (reporting 2017 annual meeting vote results: Independent Board Chairman proposal, 66,949,505 shares for, 99,196,732 against), https://www.sec.gov/Archives/edgar/data/927653/000119312517240424/d430944d8k.htm.

[4]Johnson & Johnson, Form 8-K (reporting 2020 annual meeting vote results: Report on Governance of Opioids-Related Risks, 1,062,127,997 shares for, 681,476,408 against), https://www.sec.gov/Archives/edgar/data/200406/000020040620000034/a20200423voteandcoi.htm.

[5]Executive Summary of National Opioid Settlements, https://nationalopioidsettlement.com/executive-summary

[6]Division of Corporation Finance, SEC, "Statement Regarding the Division of Corporation Finance's Role in the Exchange Act Rule 14a-8 Process for the Current Proxy Season" (Nov. 17, 2025).

[7]Division of Corporation Finance, SEC, "Updated Statement Regarding the Division of Corporation Finance's Role in the Exchange Act Rule 14a-8 Process" (Aug. 14, 2026).

[8]The Commission adopted the predecessor of Rule 14a-8 in 1942. Release No. 34-3347 (Dec. 18, 1942) [7 Fed. Reg. 10655 (Dec. 22, 1942)].

are likely to reduce our exposure to potential material and systemic risks".[9] Filing a shareholder proposal is one of our escalation tools when engagement does not make sufficient progress. Without shareholder proposals, investors would have to rely on blunter tools, such as votes against directors. Many of our holdings are in indexed strategies, so selling is not a realistic response to governance concerns. Engagement, backed by the credible possibility of a shareholder proposal, is one of the few practical means of advancing an issue with a company's board on behalf of our clients and beneficiaries.

The Release's Economic Analysis

The Release's headline savings figure measures a narrow set of activities, mostly related to paperwork. According to the breakdown in the Release, the approximately $39.6 million cost saving estimate is attributable to $29.7 million in reduced internal burden hours and $9.9 million in reduced external costs,[10] compared against an equally narrow $1,063 annual check-box cost estimate. Neither figure accounts for the costs that would shift to issuers and investors if proposals move from Rule 14a-8 to independent solicitation, which include: legal review of company-specific or state-specific governing documents, the cost of independent solicitations where a proposal is omitted, and the loss of information to shareholders who did not themselves file a proposal but benefit from others' proposals in voting and stewardship. The Commission's prior analysis is instructive. In adopting the Universal Proxy Rule, the Commission found that proxy contests from 2017 to 2020 cost companies a median of $1.7 million and cost activists a median of $750,000, with total costs ranging as high as $25 to $35 million.[11] Even if soliciting support for a shareholder proposal costs only a fraction of a proxy contest, moving a modest share of the roughly 880 proposals filed each year from Rule 14a-8 to independent solicitation could cost more than the Release's entire estimated savings.

The Release appears to treat the past proxy season which followed the Division of Corporate Finance's suspension of no-action review, as a representative baseline for measuring the rule's ongoing costs and benefits. In our view, that period is not representative. It reflects the effects of the November 2025 and August 2026 rule suspensions already described above, not the rule's ordinary course operation over its 80-plus year history.[12] A baseline drawn from an atypical period will tend to understate the rule's benefits and may overstate the marginal cost of retaining it.

The Release's cost figures do not account for the cost of the state-law alternative on which it relies. The Delaware Corporation Law Council's November 9, 2026, White Paper and Discussion Draft,[13] prepared in direct response to the Release, proposes an entirely new statutory section to govern precatory proposals in Delaware, and is itself open for comment for only 60 days, with key questions unresolved, including its proposed ownership thresholds and market-capitalization tiers. This parallel process shows that the state-law alternative the Release relies on is still being defined.

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9 BCI, 2025 Proxy Voting Guidelines, "Shareholder Proposals on Environmental & Social Risk,"
10 Exchange Act Release No. 34-106383, at 178 (Sept. 16, 2026).
11 Use of a Universal Proxy, Exchange Act Release No. 34-93596, at 88 & n.228 (Nov. 17, 2021), https://www.sec.gov/files/rules/final/2021/34-93596.pdf (Table 1: median total cost of $1.7 million for companies and $0.8 million for activists, 2017–2020 EDGAR filings).
12 Exchange Act Release No.34-106383 at 101 n.294 (Sept. 16, 2026)
13 Corporation Law Council, Section of Corporation Law, Delaware State Bar Association, "White Paper and Discussion Draft for Revisions to the Delaware Law on Stockholder Proposals" (released Nov. 9, 2026).

Rescission would not eliminate the costs of regulating shareholder proposals; it would move them to state legislatures and courts, and to the companies and investors that must navigate different rules in each state. One illustrative estimate puts the one-time cost of a state-by-state transition of this kind, across affected states, issuers, and proponents, at $5.2 million to $7.4 million, with a further $210,000 to $330,000 in additional costs annually.[14]

Shareholder Voting Rights and the Proposed Rule 14a-4(c) Amendments

Rule 14a-8 and Rule 14a-4(c) cover different parts of the proxy process, and the difference is important. Rule 14a-8 governs whether a shareholder's proposal must be included in the company's own proxy statement in the first place. Rule 14a-4(c) governs how a company may vote the proxies it already holds on a matter that was not described in its own proxy materials (e.g., a proposal a submitted under the company's advance-notice bylaws.) Today, Rule 14a-4(c) applies only to that smaller set of outside proposals. If Rule 14a-8 is rescinded, potentially any shareholder proposal could be left out of the company's proxy materials, allowing management to exercise discretionary voting authority over it at the meeting under the proposed amendments to Rule 14a-4(c), unless shareholders expressly withhold that authority.

These amendments would increase management's discretion to vote shares on matters shareholders were never directly asked about, while reducing management's accountability for exercising that discretion. Today, a company loses that discretion whenever a proponent is willing to run an independent campaign to win majority support. Under the proposed amendments, management would keep that discretion by default, unless each individual shareholder notices a check box on the proxy card and takes the affirmative step of marking it to withhold authority.

This would weaken a system that works well today. Independently solicited proposals have led boards to listen to shareholders, adjust practices, and resolve issues before a vote is even needed, at modest cost. The proposed amendments would not meaningfully reduce that cost. They would mainly reduce the information shareholders receive, and shift how proposals are decided.

Recommendations

We respectfully request that the Commission consider:

- withdrawing the proposed rescission of Rule 14a-8 and the proposed amendments to Rule 14a-4(c).
- reaffirming the framework for precatory proposals under Note 1 to Rule 14a-8(i)(1), consistent with decades of accepted practice.[15]
- making changes to Rule 14a-8 through targeted amendments implemented with notice to market participants, addressing ownership and holding-period thresholds, per-meeting proposal limits, and resubmission thresholds, rather than wholesale rescission.

14 The Economic Impact of Rescinding the Shareholder Proposal Rule https://www.investorrightsforum.com/new-blog-1/the-economic-impact-of-rescinding-the-shareholder-proposal-rule
15 17 C.F.R. § 240.14a-8(i)(1), Note; quoted verbatim in Exchange Act Release No. 34-106383, at 29 n.85 (Sept. 16, 2026).

- separating the two functions Rule 14a-8 performs today: (1) judging whether a proposal's subject matter is appropriate, an area where views, including the Commission's own, have changed considerably since 1952[16], and (2) the neutral, mechanical requirement that companies include a qualifying shareholder's proposal in their proxy materials potentially stepping back from the former while preserving the latter.
- extending the comment period on this Release to allow for a fuller record given the scope of the proposed changes and the parallel Delaware process, which remains open for comment.

Conclusion

The shareholder proposal process has been instrumental in developing the strong corporate governance practices that make the U.S. capital markets so successful and high-performing, while the data above show it functioning as intended. We urge the Commission to preserve it. As a significant international investor in U.S. companies, BCI values the transparency, accountability, and opportunities for constructive engagement that have characterized these markets and contribute to their success. We would welcome the opportunity to discuss these matters further.

For questions, please contact Jennifer Coulson, Senior Managing Director and Global Head, ESG, at jennifer.coulson@bci.ca, or Susan Golyak, Director, ESG, at susan.golyak@bci.ca.

Respectfully submitted,



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16 Amendment of Proxy Rules, Release No. 34-4775 (Dec. 11, 1952) [17 Fed. Reg. 11431 (Dec. 18, 1952)] (introducing the exclusion for proposals promoting general economic, political, racial, religious, social, or similar causes), as cited in Exchange Act Release No. 34-106383, at 23 n.67 (Sept. 16, 2026).