

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 8286
OFFERED BY MS. TLAIB OF MICHIGAN**

Add at the end the following:

1 **TITLE XI—PRESERVATION OF**
2 **SHAREHOLDER ENGAGEMENT**
3 **AND VOTING ON EXECUTIVE**
4 **COMPENSATION**

5 **SEC. 1101. PRESERVATION OF SHAREHOLDER ENGAGE-**
6 **MENT AND VOTING ON EXECUTIVE COM-**
7 **PENSATION.**

8 (a) DEFINITIONS.—In this section:

9 (1) COVERED EXECUTIVE COMPENSATION MAT-
10 TER.—The term “covered executive compensation
11 matter” means any shareholder proposal, proxy vot-
12 ing matter, or proxy voting recommendation relating
13 to—

14 (A) the compensation of executive officers
15 or directors of an issuer, including base salary,
16 bonuses, equity awards, deferred compensation,
17 severance arrangements, retirement benefits,
18 perquisites, or the aggregate value of any com-
19 bination thereof;

1 (B) the adoption, modification, or disclo-
2 sure of clawback provisions applicable to com-
3 pensation paid to executive officers or directors;

4 (C) golden parachute compensation,
5 change-in-control agreements, or any severance
6 or benefit arrangement triggered by a merger,
7 acquisition, or other change-in-control trans-
8 action;

9 (D) the ratio of the compensation of the
10 principal executive officer to the median annual
11 total compensation of all other employees of the
12 issuer, or any disclosure or policy related there-
13 to;

14 (E) the composition, independence, or
15 practices of the compensation committee of the
16 board of directors of an issuer, including the
17 use of compensation consultants and peer group
18 benchmarking;

19 (F) shareholder advisory votes on executive
20 compensation required under section 14A of the
21 Securities Exchange Act of 1934 (15 U.S.C.
22 78n-1), including the frequency thereof; or

23 (G) the relationship between executive
24 compensation and the financial performance of
25 the issuer, including pay-for-performance align-

1 ment, total shareholder return, or any metric
2 used by the issuer to determine incentive com-
3 pensation.

4 (2) EXECUTIVE OFFICER.—The term “executive
5 officer” has the meaning given such term in section
6 240.3b-7 of title 17, Code of Federal Regulations
7 (or any successor regulation).

8 (3) ISSUER.—The term “issuer” has the mean-
9 ing given such term in section 3(a) of the Securities
10 Exchange Act of 1934 (15 U.S.C. 78c(a)).

11 (b) PROXY ADVISORY FIRM PRIVATE RIGHT OF AC-
12 TION.—Section 15H(h) of the Securities Exchange Act of
13 1934, as added by section 501 of this Act, shall not apply
14 to proxy voting advice, research, analysis, ratings, or rec-
15 ommendations that relate to a covered executive com-
16 pensation matter.

17 (c) DEEMED FALSE OR MISLEADING PROXY VOTING
18 ADVICE.—Section 14(l) of the Securities Exchange Act of
19 1934, as added by section 601 of this Act, shall not apply
20 to proxy voting advice that relates to a covered executive
21 compensation matter.

22 (d) INSTITUTIONAL INVESTMENT MANAGER ECO-
23 NOMIC ANALYSIS.—

24 (1) IN GENERAL.—Section 13(f)(7)(B)(ii) of
25 the Securities Exchange Act of 1934, as added by

1 section 701 of this Act, shall not apply to any vote
2 on a covered executive compensation matter.

3 (2) DISCLOSURE PRESERVED.—Paragraph (1)
4 shall not affect the reporting requirements under
5 section 13(f)(7)(A) of the Securities Exchange Act
6 of 1934, as added by section 701 of this Act.

7 (e) PROHIBITION ON ROBOVOTING.—Section 14(m)
8 of the Securities Exchange Act of 1934, as added by sec-
9 tion 801 of this Act, shall not apply to votes on covered
10 executive compensation matters.

11 (f) PASSIVELY MANAGED FUND PROXY VOTING.—
12 For purposes of section 208A of the Investment Advisers
13 Act of 1940, as added by section 901 of this Act:

14 (1) ROUTINE MATTER CLARIFIED.—A covered
15 executive compensation matter shall be deemed a
16 routine matter under subsections (a)(2) and (e)(5)
17 of such section 208A, and subsection
18 (e)(5)(B)(ii)(II) of such section 208A shall not be
19 construed to exclude a covered executive compensa-
20 tion matter from the definition of routine matter by
21 reason of the proposal being made by a person other
22 than the applicable registrant.

23 (2) PUBLISHED VOTING POLICY.—Subsection
24 (e)(3)(B)(ii) of such section 208A shall not be con-
25 strued to prohibit a published voting policy of a pas-

1 sively managed fund or investment adviser from ad-
2 dressing the submission of shareholder proposals
3 that relate to a covered executive compensation mat-
4 ter.

5 (g) PECUNIARY FACTORS.—For purposes of section
6 211(g)(3) of the Investment Advisers Act of 1940, as
7 added by section 1001 of this Act, a covered executive
8 compensation matter shall be deemed a pecuniary factor.

9 (h) RULE OF CONSTRUCTION.—Nothing in this sec-
10 tion shall be construed to—

11 (1) create any new right of a shareholder to
12 submit a proposal that does not otherwise exist
13 under the Securities Exchange Act of 1934 (15
14 U.S.C. 78a et seq.) or the rules and regulations
15 thereunder;

16 (2) limit the authority of an issuer to exclude
17 a shareholder proposal under any provision of sec-
18 tion 240.14a-8 of title 17, Code of Federal Regula-
19 tions; or

20 (3) affect the requirements of section 14A of
21 the Securities Exchange Act of 1934 (15 U.S.C.
22 78n-1) (relating to shareholder approval of executive
23 compensation).



