

## Press Release

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# SEC Adopts New Rules for Universal Proxy Cards in Contested Director Elections

## New Rules Allow Shareholders to Vote for their Preferred Mix of Board Candidates in Contested Elections

### FOR IMMEDIATE RELEASE

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Washington D.C., Nov. 17, 2021 — The Securities and Exchange Commission today voted to adopt final rules requiring parties in a contested election to use universal proxy cards that include all director nominees presented for election at a shareholder meeting. The rule changes will give shareholders the ability to vote by proxy for their preferred combination of board candidates, similar to voting in person.

"These amendments address concerns that shareholders voting by proxy cannot vote for a mix of dissident and registrant nominees in an election contest, as they could if voted in person," said SEC Chair Gary Gensler. "Today's amendments will put these candidates on the same ballot. They will put investors voting in person and by proxy on equal footing. This is an important aspect of shareholder democracy."

The final rules will require dissident shareholders and registrants to provide shareholders with a proxy card that includes the names of all registrant and dissident nominees. The rules will apply to all non-exempt solicitations for contested elections other than those involving registered investment companies and business development companies. The rules will require registrants and dissidents to provide each other with notice of the names of their nominees, establish a filing deadline and a minimum solicitation requirement for dissidents, and prescribe presentation and formatting requirements for universal proxy cards.

To further facilitate shareholder voting in director elections, the Commission also voted to adopt amendments to the proxy rules to ensure that proxy cards clearly specify the applicable shareholder voting options in all director elections and to require proxy statements to disclose the effect of a shareholder's election to withhold its vote.

The final rules will be published in the Federal Register. To facilitate transition to the new rules, compliance with the rules related to universal proxy cards will be required for any shareholder meeting involving contested director election held after Aug. 31, 2022.

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## Related Materials

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- [Final Rule](#)
- [Fact Sheet](#)