

Amend SB 2337 (house committee report) as follows:

(1) On page 2, line 27, strike "or has its principal place of business in this state" and substitute ", has its principal place of business in this state, or is a foreign entity that has made a company proposal to become a domestic entity, whether by merger, conversion, or otherwise".

(2) On page 4, line 6, between "on" and "one", insert ", or otherwise takes into account,".

(3) On page 4, line 27, between "proposal" and the underlined period, insert the following:

; or

(3) is not based solely on financial factors and subordinates the financial interests of shareholders to other objectives, including sacrificing investment returns or undertaking additional investment risk to promote nonfinancial factors; or

(4) advises against a company proposal to elect a governing person unless the proxy advisor affirmatively states that the proxy advisory service solely considered the financial interest of the shareholders in making such advice.

(4) On page 5, line 4, strike "conspicuous".

(5) On page 5, line 7, between "(A)" and "states", insert "conspicuously".

(6) Strike page 5, lines 11 through 12, and substitute the following:

(B) explains, with particularity, the basis of the proxy advisor's advice concerning each recommendation and that the advice subordinates the financial interests of shareholders to other objectives, including sacrificing investment returns or undertaking additional investment risk to promote one or more nonfinancial factors;.

(7) On page 5, line 24, strike "the" and substitute "any".

(8) On page 5, line 27, strike "policy" and substitute "objectives and policies".

(9) On page 6, line 11, strike "or"

(10) On page 6, line 14, between "nominee" and the underlined period, insert the following:

; or

(3) one or more clients vote for or against the proposal in opposition to the recommendation of the company's management.