Amend **CSSB 2337** (senate committee report) in SECTION 2 of the bill as follows:

(1) Strike added Section 6A.101(a), Business Organizations Code (page 2, lines 40 through 55), and substitute the following:

(a) For purposes of this section, a proxy advisory service is not provided solely in the financial interest of the shareholders of a company if the service:

(1) is wholly or partly based on one or more nonfinancial factors, including a commitment, initiative, policy, target, or subjective or value-based standard based on:

(A) an environmental, social, or governance (ESG) goal, factor, or investment principle;

(B) diversity, equity, or inclusion (DEI), including any attempt to provide preferential treatment based on characteristics protected under Section 21.051, Labor Code;

(C) a social credit or sustainability factor or score; or

(D) membership in or commitment to an organization or group that wholly or partly bases its evaluation or assessment of a company's value over any period on nonfinancial factors; or

(2) involves providing a voting recommendation with respect to a shareholder-sponsored proposal that:

(A) is inconsistent with the voting recommendation of the board of directors or a board committee composed of a majority of independent directors; and

(B) subject to Subsection (c), does not include a written economic analysis of the financial impact on shareholders of the proposal.

(2) In added Section 6A.101, Business Organizations Code (page 3, between lines 6 and 7), insert the following:

(c) A written economic analysis provided under Subsection (a)(2)(B) must include:

(1) the short-term and long-term economic benefits and costs of implementing the shareholder-sponsored proposal, as written;

(2) an analysis of whether the proposal is consistent

with the investment policy of the client;

(3) the projected quantifiable impact of the proposal, if adopted, on the investment returns of the client; and

(4) an explanation of the methods and processes used to prepare the economic analysis.