

AMENDMENT TO H.R. 3269
OFFERED BY MR. CAMPBELL

Strike section 2 and insert the following:

1 SEC. 2. MAJORITY VOTING FOR DIRECTORS.

2 The Securities Exchange Act of 1934 (15 U.S.C. 78a
3 et seq.) is amended by adding after section 16 the fol-
4 lowing new section:

5 “SEC. 16A. ELECTION OF DIRECTORS.

6 “(a) STANDARDS RELATING TO ELECTION OF DI-
7 RECTORS.—

8 “(1) COMMISSION RULES.—Not later than 270
9 days after the date of enactment of this section, the
10 Commission shall, by rule, direct the national securi-
11 ties exchanges and national securities associations to
12 prohibit the listing of any security of an issuer that
13 is not in compliance with the requirements of any
14 portion of paragraph (2). Such rules shall provide
15 for appropriate procedures for an issuer to have an
16 opportunity to cure any defects that would be the
17 basis for such a prohibition before the imposition of
18 such prohibition.

19 “(2) STANDARDS FOR ELECTION OF DIREC-
20 TORS.—

1 “(A) MAJORITY VOTING.—Each issuer
2 shall, to the extent permitted under State law,
3 provide in its governing documents that—

4 “(i) directors in uncontested elections
5 shall be elected by a majority of the votes
6 cast for each position on the board; and

7 “(ii) in contested elections where the
8 number of nominees exceeds the number of
9 directors to be elected, directors shall be
10 elected by the vote of a plurality of the
11 shares represented at any meeting and en-
12 titled to vote on the election of directors.

13 “(B) RESIGNATION.—Each issuer shall
14 also, to the extent permitted under State law,
15 adopt procedures under which any director who
16 is not elected to a new term shall offer to ten-
17 der his or her resignation to the board of direc-
18 tors. The board of directors, with the advice of
19 a committee of the board if such a committee
20 has been established for that purpose, shall de-
21 termine what action should be taken as to that
22 resignation and shall publicly disclose its deci-
23 sion and the rationale for that decision within
24 a reasonable period after certification of the
25 election results.

1 “(b) SHAREHOLDER ACCESS TO THE PROXY IN DI-
2 RECTOR ELECTIONS.—

3 “(1) RULE.—Not later than 270 days after the
4 date of enactment of this section, the Commission
5 shall, by rule, require that in proxy statements and
6 proxies, authorizations or consents prepared by an
7 issuer pursuant to section 14, the issuer shall iden-
8 tify and provide shareholders with an opportunity to
9 vote on candidates for the board of directors who
10 have been nominated by holders in the aggregate of
11 no less than 5 percent of the issuer’s voting securi-
12 ties for at least 2 years prior to a record date estab-
13 lished by the issuer for a meeting of shareholders
14 with increasing tiered percentages of aggregate
15 shareholders for subsets of issuers with smaller mar-
16 ket capitalizations.

17 “(2) APPLICATION.—This rule shall specify the
18 information to be provided to an issuer by share-
19 holders who nominate candidates for inclusion in an
20 issuer’s proxy materials under this section and shall
21 require the issuer to disclose information about such
22 candidates in the issuer’s proxy materials to the
23 same extent that information must be disclosed
24 about candidates nominated by the issuer. This rule
25 shall apply only when eligible shareholders have

1 nominated fewer than a majority of the number of
2 directors then authorized to serve on the board of di-
3 rectors, and the rule shall specify procedures to be
4 followed if different shareholders nominate can-
5 didates sufficient to constitute a majority of the
6 board of directors.

7 “(3) EFFECTIVE DATE.—The rule shall apply
8 to proxy voting for meetings of shareholders held on
9 or after January 1, 2011, except to the extent that
10 a meeting was originally scheduled to be held in
11 2010, but was adjourned to 2011.

Strike section 4.

