**Section 203.110 Proposals From Security Holders**

a) If any security holder entitled to vote at a meeting of the company submits to the management of the company a proposal which is accompanied by notice of his intention to present the proposal for action at the meeting a reasonable time before the solicitation is made, the management must include the proposal in its proxy statement, identify the proposal in its proxy and provide means by which the choices allowed for in subsections (b) and (c) of Section 203.60 can be made. Such a proposal submitted with respect to an annual meeting more than 60 days in advance of a day corresponding to the first date on which management proxy soliciting material was released to security holders in connection with the last annual meeting of the company is prima facie considered to be submitted a reasonable time before the solicitation. But this Section does not apply to elections to office.

b) If the management opposes the proposal, it must also, at the request of the security holder, include in its proxy statement the name and address of the proposer and a statement by that person of not more than 100 words in support of the proposal. The statement and request must be furnished to the management at the same time that the proposal is furnished. Neither the management nor the company is responsible for the statement.

c) Management may omit a proposal and any statement in support thereof from its proxy statement and form of proxy under any of the following circumstances:

1) If the proposal as submitted is not a proper subject for action by security holders under the laws of this State; or

2) If it clearly appears that the proposal is submitted primarily for the purpose of enforcing a personal claim or redressing a personal grievance against the company or its management, or primarily for the purpose of promoting general economic, political, racial, religious, social or similar causes; or

3) If the management has, at the security holder's request, included a proposal in its proxy statement and form of proxy relating to either of the last 2 annual meetings or any special meeting held subsequent to the earlier of those 2 annual meetings and the security holder has failed, without good cause, to represent the proposal, in person or by proxy, for action at the meeting; or

4) If substantially the same proposal has previously been submitted in the management's proxy statement and form of proxy relating to any annual or special meeting held within the preceding 5 calendar years, it may be omitted from the management's proxy material relating to any meeting held within the 3 calendar years after the latest previous submission, if the proposal received less than 5 per cent of the total number of votes cast on the proposal at the time of its latest submission; or

5) If the proposal consists of a recommendation or request that the management take action concerning a matter relating to the conduct of the ordinary business operations of the company.

d) Whenever the management asserts that a proposal and any statement in support of the proposal may properly be omitted from its proxy statement and form of proxy, it must file with the Department, not later than 20 days prior to the date the preliminary copies of the proxy statement and form of proxy are filed under Subsection (a) of Section 203.70, or any shorter period prior to such date that the Director may permit, a copy of the proposal and any statement in support of the proposal received from the security holder, together with a statement of the reasons why the management considers its omission to be proper and, when those reasons are based on matters of law, a supporting opinion of counsel. At the same time the management must, if it has not already done so, notify the security holder submitting the proposal of its intention to omit the proposal from its proxy statement and form of proxy and must forward to him a copy of the statement of the reasons why the management considers its omission of the proposal to be proper and a copy of any supporting opinion of counsel.