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January 27, 2026

Via Shareholder Proposal Portal

Securities and Exchange Commission
Office of the Chief Counsel
Division of Corporation Finance
100 F Street, NE
Washington, DC 20549

Re: Request by Axon Enterprise Inc. to omit proposal submitted by the Nathan Cummings Foundation

Ladies and Gentlemen,

Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, the Nathan Cummings Foundation (the "Proponent") submitted a shareholder proposal (the "Proposal") to Axon Enterprise Inc. ("Axon" or the "Company"). The Proposal asks Axon to report on certain information related to its direct and indirect political contributions.

In a letter to the Division dated January 26, 2026 (the "No-Objection Request"), Axon stated that it intends to omit the Proposal from its proxy materials to be distributed to shareholders in connection with the Company's 2026 annual meeting of shareholders. Axon argues that it is entitled to exclude the Proposal in reliance on Rule 14a-8(i)(7), on the ground that the Proposal would micromanage the Company, and requests that the Division issue a letter stating that it would not object to the exclusion.

Axon is not entitled to omit the Proposal on micromanagement grounds. Previous Staff determinations have uniformly rejected efforts to exclude political spending disclosure proposals—and even proposals seeking to limit companies' ability to make contributions at all—on micromanagement grounds. The Proposal requests a reasonable amount of detail, sufficient to allow shareholders to evaluate political spending risk; the reasonableness of the Proposal's request can be seen in the large number of companies already making comprehensive political disclosure. As well, the Proposal is not excessively prescriptive, and it addresses a topic shareholders have been voting on for decades and on which shareholders can make an informed judgment.

The Proposal

The Proposal states:

Resolved, that the shareholders of Axon Enterprise, Inc. ("Axon" or "Company") hereby request that the Company provide a report, updated annually, disclosing the Company's:

1. Policies and procedures for making, with corporate funds or assets, contributions and expenditures (direct or indirect) to (a) participate or intervene in any campaign on behalf of (or in opposition to) any candidate for public office, or (b) influence the general public, or any segment thereof, with respect to an election or referendum.
2. Monetary and non-monetary contributions and expenditures (direct and indirect) used in the manner described in section 1 above, including the identity of the recipient as well as the amount paid to each.

The report shall be presented to the board of directors or relevant board committee and posted on the Company's website. This proposal does not encompass lobbying spending.

Background

Since at least the 1980s, shareholders have communicated with companies and each other about corporate political activity using the shareholder proposal process. Over the past 20 years, shareholder proposals have focused primarily on promoting disclosure of companies' political spending policies and expenditures.[1] According to proxy advisor Institutional Shareholder Services ("ISS"), proposals on political spending disclosure have been the most numerous proposal category over the past ten years, with support levels over that period averaging about 30% of shares voted.[2] Between 2011 and 2025, political spending disclosure proposals received majority shareholder support at 30 companies, according to the Center for Political Accountability ("CPA"), which tracks political spending disclosure proposals. Five of those majority votes were achieved in 2025, showing the continued salience of the issue to shareholders.[3]

This strong push for political spending disclosure has been driven by several sources of concern:

- Political spending with company treasury funds can directly link companies' brands with controversial candidates and issues important to consumers, workers and shareholders[4]; indirect spending through intermediaries such as trade associations and "social welfare"

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1 See https://www.iss-corporate.com/library/corporate-political-activity-disclosures-a-continued-priority-for-investors-and-companies/ ("More than 80% of political activity-related proposals have focused on transparency regarding corporate funds used for the purposes of political contributions or lobbying, including the recipients of such payments.")

2 https://www.iss-corporate.com/library/corporate-political-activity-disclosures-a-continued-priority-for-investors-and-companies/

3 https://www.trackyourcompany.org/shareholders/

4 E.g., https://www.sec.gov/ix?doc=/Archives/edgar/data/1307954/000110465924037899/tm242902d3_def14a.htm, at 78; https://www.sec.gov/Archives/edgar/data/34088/000119312522098314/d280259ddef14a.htm#toc280259_24; see also https://www.nasdaq.com/articles/corporate-political-spending-disclosures%3A-not-so-immaterial-after-all-2021-01-21; Center for Political Accountability, "CPA at 20: Norm Changer," at 16-17 (2023) (hereinafter, "Norm Changer") (presenting case studies of risks created by political spending for companies such as Disney, Amazon, Google, and NextEra); Daniel M. Isaacs, "An Unexpected Friend: Liberalism's Response to Corporate Political Spending," 47 Suffolk U.L. Rev. 305 (2014); Olumuyiwa Odeniyide, "Restoring Public Trust: Why In-House Counsel Should Encourage Companies to Disclose the Use of Corporate Funds for Political Spending," 28 Geo. J. Legal Ethics 799 (Summer 2015)

groups has the added peril of unwittingly supporting candidates whose platforms or actions are at odds with companies' stated values and strategies.[5]

- Executives may use company treasuries to advance their own personal political agendas, without regard for whether donations are in the company's best interests.[6]
- The U.S. Supreme Court asserted in Citizens United v. FEC,[7] which invalidated limitations on corporate "independent expenditures" to influence elections, that "prompt disclosure of expenditures can provide shareholders and citizens with the information needed to hold corporations and elected officials accountable for their positions and supporters," including accountability for spending that is not in shareholders' interests.[8]
- Disclosure can alert shareholders to companies' strategic overreliance on political spending, to the detriment of innovation and other sources of long-term value generation.[9]
- There are risks to companies associated with the erosion of democracy, including the rule of law.[10]

Meaningful progress has been achieved through these efforts. In 2004, Morgan Stanley was the first company to adopt political disclosure and accountability policies after receiving a shareholder proposal.[11] In the 2025 CPA-Zicklin Index of Corporate Political Disclosure and Accountability (the "2025 Index"), 112 S&P 500 companies qualify as "trendsetters," those that score 90% or above for the quality of their political disclosure and accountability policies, up fourfold from the number in 2015.[12] Axon received a score of 10 in the 2025 Index, landing it in the lowest tier of companies.[13]

Main Street investors overwhelmingly support political spending disclosure. In a July 2024 Mason-Dixon survey of 800 individual investors, 94% approved of public disclosure of companies' political contributions; 75% favored disclosure of payments to trade associations that are used for political purposes; 80% endorsed disclosure of the guidelines companies use for political spending decisions; and 86% backed board oversight and approval of all direct and indirect political spending.[14] The survey thus showed strong support for the key elements of the Proposal.

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5 See, e.g., https://www.conference-board.org/topics/corporate-political-activity/Under-a-Microscope-A-New-Era-of-Scrutiny-for-Corporate-Political-Activity (recommending that companies consider "limiting contributions to third-party organizations" and thoroughly vetting any contributions to such organizations)

6 Siebecker article at 2739; Lucian A. Bebchuk & Robert J. Jackson, Jr., Shining Light on Corporate Political Spending, 101 Geo. L.J. 923, 942 (2013) (arguing that corporate political spending is an area where "the interests of directors and executives may . . . diverge, frequently and substantially, from those of shareholders . . . .")

7 558 U.S. 310, 370 (2010)

8 See The Untenable Case for Keeping Investors in the Dark, at 6; William Alan Nelson II, "Informing Shareholders: Providing a Roadmap for the SEC to Act to Require Public Corporations to Disclose Political Spending," 9 Alb. Gov't L. Rev. 241

9 Center for Political Accountability, "The Green Canary: Alerting Shareholders and Protecting Their Investments," at 5, 11-12 (2005) (https://www.politicalaccountability.net/wp-content/uploads/2022/10/GreenCanary.pdf) (hereinafter, "The Green Canary")

10 Norm Changer, at 20

11 The Green Canary, at 9

12 2025 CPA-Zicklin Index of Corporate Political Disclosure and Accountability, at 10 (Nov. 6, 2025) (https://www.politicalaccountability.net/wp-content/uploads/2025/11/2025-CPA-Zicklin-Index.pdf) (hereinafter, "2025 Index")

13 2025 Index, at 55

14 https://www.politicalaccountability.net/wp-content/uploads/2024/08/CPAShareholder724NationalPoll.pdf, at 5-6

The salience of corporate political spending has only increased in recent years, as corporate involvement in the political process, including through intermediaries, has intensified and the political landscape has become more fraught. Between 2012 and 2020, $114 million in "dark money"—money spent on elections by groups that are not required to disclose their donors—was routed through the U.S. Chamber of Commerce alone.[15]

A 2024 survey[16] by The Conference Board found that 60% of corporate executives characterized the current political environment as "more difficult to navigate" than it was in 2020. Polarization among policymakers and the electorate, as well as pressure from employees, were identified as the biggest contributors to the difficult environment. Thirty-six percent of surveyed executives believed that the corporate political activity arena itself was more challenging in 2024 than in 2020. A 2024 CPA report pointed out that the economic volatility, policy-making unpredictability, and threats to the rule of law posed by more populist governments create a negative business environment, making it even more important for companies to effectively manage risks associated with political involvement.[17]

Ordinary Business--Micromanagement

Rule 14a-8(i)(7) allows a company to exclude a proposal related to the company's ordinary business operations. The micromanagement prong of the ordinary business exclusion is derived from the Commission's 1998 release reversing its policy on employment-related proposals[18] (the "1998 Release"), which described the two considerations animating the ordinary business exclusion. The second consideration was the "degree to which the proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment."

The 1998 Release emphasized, however, that not all proposals "seeking detail, or seeking to promote time-frames or methods, necessarily amount to 'ordinary business.'" Rather, a proposal "may seek a reasonable level of detail" without micromanaging the company. Staff Legal Bulletin 14M ("SLB 14M")[19] described the level of detail supporting exclusion as "intricate." Staff Legal Bulletin 14K ("SLB 14K"),[20] revived by SLB 14M, stated that a proposal may be excludable if "the method or strategy for implementing the action requested by the proposal is overly prescriptive." It is worth noting that SLB 14K's examples of excessive prescriptiveness are limited to proposals asking companies to take specific actions, rather than those seeking disclosure.

The Previous Determinations

Decades of Staff determinations have rejected micromanagement arguments like the ones Axon now makes. In 2004, three companies challenged political contributions disclosure proposals

15 https://www.brennancenter.org/our-work/analysis-opinion/more-shareholders-seek-transparency-corporate-political-spending-and
16 https://www.conference-board.org/press/press-release-corporate-political-environment-2024
17 Center for Political Accountability, "Corporate Underwriters: Where the Rubber Hits the Road," at 30 (2024) (https://www.politicalaccountability.net/wp-content/uploads/2024/08/Corporate-Underwriters-Where-the-Rubber-Hits-the-Road.pdf) (hereinafter, "Where the Rubber Hits the Road")
18 Exch. Act Rel. No. 40018 (May 21, 1998)
19 Staff Legal Bulletin 14M (Feb. 12, 2025)
20 Staff Legal Bulletin 14K (Oct. 16, 2019)

on micromanagement grounds. Proposals submitted to AIG,[21] Citigroup,[22] and Chubb[23] (together, the "2004 Proposals") asked the companies to disclose annually:

1. The company's policies for political contributions made with corporate funds, political action committees sponsored by the company, and employee political contributions solicited by senior executives of the company;
2. An accounting of the company's political contributions;
3. A business rationale for each of the company's political contributions; and
4. The identity of the person or persons involved in making decisions with respect to the company's political contributions.

In each case, the Staff declined to grant relief.

The 2004 Proposals sought more detailed disclosure than the Proposal. Although they requested periodic reporting on political contributions policies and expenditures, as the Proposal does, the 2004 Proposals went further. They sought disclosure of the business rationale for each political contribution, which would likely be a substantial narrative, as each one would involve discussion of the recipient candidate, political party, political action committee, or politically active organization; the recipient's policy positions; and how those positions mapped onto the company's business activities. Unlike the Proposal, the 2004 Proposals also asked the companies to disclose the identity of the person or persons who made corporate political spending decisions.

Micromanagement challenges to political spending proposals going beyond disclosure have also failed. In 2012, Bank of America[24] sought to exclude a proposal asking the board to adopt a policy prohibiting the use of corporate funds for any political election or campaign. The Staff did not concur with Bank of America that the proposal was excludable on micromanagement grounds.

Similarly, a 2013 proposal submitted to EQT[25] asked the company's board to study the feasibility of adopting a policy prohibiting the use of treasury funds for direct and indirect political contributions. EQT claimed that the proposal "seeks to manage the Company's day-to-day operations by excluding EQT from the legislative and regulatory process altogether, thereby prohibiting management of the Company (with the Committee's oversight) from opposing, supporting or otherwise commenting on pending environmental, health and safety legislation and regulations having the potential to affect the Company's business." The Staff denied the requested relief.

The Bank of America and EQT proposals were much more prescriptive than the Proposal. The Proposal requests only disclosure, while the Bank of America proposal sought to completely eliminate management discretion over whether to make political contributions and the EQT proposal asked the company to study whether it should do the same. Indeed, it is hard to imagine a more prescriptive proposal request than urging a company to stop making contributions altogether.

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21 American International Group Inc. (Feb. 19, 2004)
22 Citigroup, Inc. (Jan. 27, 2004)
23 The Chubb Corporation (Jan. 27, 2004)
24 Bank of America Corporation (Feb. 29, 2012)
25 EQT Corporation (Jan. 23, 2013)

Nonetheless, the Staff did not view the proposals as "seeking to micromanage the company to such a degree" that exclusion would be appropriate.

The Proposal Does Not Request Intricate Detail

Axon urges that the Proposal micromanages because it is seeking "granular and comprehensive reporting that leaves no room for management judgment."[26] The No-Objection Request, however, misleadingly represents the information requested in the Proposal to make it seem more detailed and granular than it is. For example, the table included as Exhibit B, which purports to itemize the data the Proposal seeks, lists 22 different types of Policies and Procedures purportedly sought by the Proposal, including separate items for Policies and Procedures applicable to "Direct Contributions & Expenditures—Political Candidates (Federal)," "Direct Contributions & Expenditures—Political Candidates (State)," and "Direct Contributions & Expenditures—Political Candidates (Local)."[27]

Axon's presentation implies that one would expect a company to have different policies and procedures for each type of expenditure, and that the Proposal requires disclosure of all 22 of them, which could fairly be characterized as burdensome. But that is not how policies work in the real world, where companies generally have a single set of policies and procedures governing all types of political spending. For example, PSEG's Corporate Political Participation policy covers the permissibility of and approvals required for direct political contributions, trade association memberships and contributions to social welfare organizations, as well as outlining the board oversight process.[28]

For political expenditure disclosures, Exhibit B makes it seem as if each type of monetary expenditure, recipient, and non-monetary contribution is a separate disclosure item: 18 types of recipients and 18 types of payment/non-monetary contribution amounts are listed in Exhibit B. This presentation creates an appearance of complexity, which is misleading for two reasons. First, there is no reason to deconstruct a single expenditure into separate items for the recipient and monetary amount/nonmonetary contribution. Disclosure of the monetary amount of a contribution takes no more effort than disclosure of the recipient of that same contribution. Second, most companies make only some types of expenditures. Some companies' policies prohibit certain categories of spending. According to the 2025 Index, 166 S&P 500 companies bar contributions to candidates, parties and committees; 133 forbid contributions to 527 groups; and 208 prohibit independent expenditures.[29] The type of government regulation applicable to a company, or the jurisdictions in which it is taxed, could spur spending on candidates running for positions in a particular level of government but not others.

The amount of detail sought by the Proposal is reasonable and not intricate. The Proposal seeks more detailed disclosure on Axon's political spending policy, procedures, and oversight mechanisms, which would tell shareholders the standards Axon applies when deciding to make political contributions as well as the robustness of oversight of those decisions. The absence of clear

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[26] No-Objection Request, at 3
[27] No-Objection Request, at Exhibit B
[28] https://s24.q4cdn.com/601515617/files/doc_downloads/corporate_responsibility/Practice_530-3_Corporate_Political_Participation.pdf
[29] 2025 Index, at 32

policies guiding spending decisions, reliance on policies containing vague standards, or lack of meaningful oversight can give employees more latitude to make decisions that are motivated by personal political views rather than the best interests of the company.

As well, disclosure of contributions permits shareholders to gauge the overall level of risk created by political spending. Substantial amounts relative to a company's size may suggest overreliance on political spending at the expense of other sources of value generation such as innovation and improving product or service quality.[30] Research shows that corporate political spending is associated with poorer performance: One study showed that every $10,000 increase in soft money and section 527 donations with corporate funds is associated with a 7.4 basis point reduction in excess returns.[31] Contributions skewed heavily toward one party's candidates and committees may backfire if a company becomes strongly identified with a party that loses power.

Disclosure of indirect political spending undertaken through trade associations, social welfare organizations, section 527 groups and other intermediaries is necessary for a full picture of a company's political spending risks. Contributing through intermediaries carries even higher risks than direct contributions because intermediaries may not engage in thorough vetting and may give to candidates whose positions are misaligned with a company's values and strategic priorities. For example, Citigroup and Wells Fargo donated to the Republican Governors Association and Republican Attorneys General Association. Those groups, in turn, donated to state candidates who, once elected, supported laws prohibiting their states from doing business with banks like Citigroup and Wells Fargo that had climate policies and considered environmental, social and governance factors when investing.[32]

Axon relies on the Staff's determinations in Air Products and Chemicals[33] and General Motors,[34] which allowed exclusion on micromanagement grounds of proposals seeking lobbying disclosure, arguing that the Proposal asks for comparably detailed disclosure. That is not the case.

There are fundamental differences between lobbying and political spending. Companies and their intermediary organizations may lobby on many different legislative, regulatory, and appropriations matters in any given year, at the federal, state, and/or local levels, in addition to urging the public to contact elected representatives and regulators. Lobbyists may engage in continuous efforts on behalf of their clients, such as those described by lobbying firm Patton Boggs in responses to requests for proposal issued by Missouri State University. Patton Boggs suggested that such efforts would include Washington "fly in" days and receptions, "day-to-day" monitoring of legislative and regulatory developments, coordination with officials, and development of written materials such as "model constituent letters."[35] For this reason, payments to lobbyists would be

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30 See John C. Coates IV, "Corporate Politics, Governance, and Value Before and After *Citizens United*," at 13 (2012) ("Outside of heavily regulated and government-dependent sectors, CPA [corporate political activity] may dilute a firm's strategic focus, and distract and degrade managerial performance, particularly if managers' personal goals affect CPA.")

31 Rajesh K. Aggarwal et al., "Corporate Political Contributions: Investment or Agency?" Business and Politics 14.1 (2012)

32 Where the Rubber Hits the Road, at 26

33 See Air Products and Chemicals, Inc. (Nov. 29, 2024)

34 General Motors Company (Apr. 11, 2025)

35 See Patton Boggs responses to RFPs issued by Missouri State University, passim (https://s3.amazonaws.com/s3.documentcloud.org/documents/1277463/missouri-state-university-2007.pdf; https://s3.amazonaws.com/s3.documentcloud.org/documents/1277464/missouri-state-university-2012.pdf)

expected to be made much more frequently than political contributions, which correspond to election cycles that occur every two, four or six years.

As well, the lobbying disclosure proposals at Air Products and General Motors sought more detailed information than the Proposal. In addition to requesting information on lobbying policies and expenditures, which as discussed above are likely to be more numerous than political contributions, the lobbying disclosure proposals also sought disclosure regarding memberships in any non-profit organizations that write and endorse model legislation.

Axon also cites several determinations allowing exclusion on micromanagement grounds of proposals on topics other than political spending or lobbying, none of which is apposite here as the proposals sought much more detailed disclosure than the Proposal does. The proposals submitted to Deere,[36] Verizon,[37] and American Express[38] asked the companies to disclose, each year, <u>all</u> employee-training materials offered to any subset of employees, including material conveyed orally. The Verizon and American Express proposals' resolved clauses also included an alternate action for the companies to take, performing an audit "analyzing the company's impacts, including the impacts arising from company-sponsored or -promoted employee training, on civil rights and non-discrimination in the workplace, and the impacts of those issues on the company's business." Thus, implementation of the proposals would likely have required the disclosure of substantial amounts of material on an annual basis in order to allow shareholders to "gauge executives' responses to and management" of risks related to "controversial or toxic" DE&I training materials. The Staff concurred with the companies that the proposals micromanaged, stating that they sought disclosure of "intricate details" regarding employment and training practices.

The proposal in Delta[39] asked the company to disclose "union suppression expenditures," which were defined as internal expenditures and amounts paid to outside entities, including the entity name, fees, hours worked, remits, work performed, other kinds of work performed for the company, board oversight of the entity, and adherence to company policies. Delta urged that the broad definition of union suppression expenditures—"expenditures that are intended or could be viewed as intended to dissuade employees from joining or supporting unions"—could be read to require the company to disclose expenditures associated with a large number of activities and communications with its workforce that do not mention unions but could qualify as "intended to dissuade" union support. These could include pizza parties, profit-sharing, and pay raises.

Likewise, the Amazon proposal relied upon by Axon asked the company to provide a living wage report that would have required it to determine and report on the number of workers paid less than a living wage broken down into specified categories, the amount by which the aggregate compensation paid to workers in each category fell short of the aggregate amount they would be paid if they received a living wage, and the living wage benchmark or methodology used for such disclosures. Producing those calculations would have entailed comparison of worker wages to the living wage for every location where the company had employees.

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[36] Deere & Company (Jan. 3, 2022).
[37] Verizon Communications, Inc. (Mar. 17, 2022).
[38] American Express (Mar. 11, 2022).
[39] Delta Air Lines, Inc. (Apr. 24, 2024)

The Proposal Does Not Inappropriately Limit the Discretion of the Board and Management

Axon asserts that the Proposal micromanages because it "probes too deeply into complex, day-to-day disclosure judgments and prescribes both the scope and cadence of reporting, thereby supplanting the discretion of management and the Board."[40] As an initial matter, it cannot be the case that any request for a company to disclose information that it is not currently disclosing constitutes an inappropriate limit on management discretion. It is beyond dispute that the Staff has declined to concur that companies may exclude on micromanagement grounds many proposals requesting disclosure on a wide variety of topics.

Instead, a proposal's request may not be excessively prescriptive and thereby inappropriately limit the board and management's discretion. Axon's complaint appears to turn on the fact that the Proposal has no "limiting principles" and "even" requests information on social welfare organizations.[41] As discussed above, information on political spending through social welfare organizations and trade associations is important to shareholders due to the extra risks such spending can pose. Axon's conclusory assertion does not explain how such disclosure is excessively prescriptive or inappropriately limits management's discretion. Indeed, the fact that so many companies already make the disclosures requested in the Proposal suggests this is not the case.

The Proposal's Subject is Not Too Complex for Shareholders to Make an Informed Judgment

Finally, the Proposal would not "prob[e] too deeply into matters of a complex nature upon which stockholders, as a group, are not in a position to make an informed judgment," in the language of the 1998 Release.

Investors have a high level of sophistication regarding political spending. As discussed above in the "Background" section, shareholders have been voting on political spending disclosure proposals for decades. In the last 10 proxy seasons, 186 political spending disclosure proposals like the Proposal have gone to a vote.[42]

The benchmark proxy voting guidelines of dominant proxy advisor Institutional Shareholder Services address how they will recommend their clients vote on political spending disclosure proposals.[43] As well, a large proportion of institutional investors' proxy voting guidelines contain a provision regarding voting on those proposals. They include:

- BlackRock (https://www.blackrock.com/corporate/literature/publication/blackrock-investment-stewardship-benchmark-guidelines-us.pdf, at 25-26)
- New York State Common Retirement Fund (https://www.osc.ny.gov/files/common-retirement-fund/corporate-governance/pdf/proxy-voting-guidelines-2024.pdf, at 35)
- Trillium Asset Management (https://www.trilliuminvest.com/downloads/proxy-voting-guidelines, at 31)

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40 No-Objection Request, at 3
41 No-Objection Request, at 3
42 See https://www.trackyourcompany.org/shareholders/
43 https://www.issgovernance.com/file/policy/active/americas/US-Voting-Guidelines.pdf?v=2025.1, at 79

- DWS (https://www.dws.com/AssetDownload/Index?assetGuid=e5cb398f-4086-4586-916f-ff5dd6e41348&consumer=E-Library, at 85)
- The California Public Employees Retirement System (https://www.calpers.ca.gov/docs/proxy-voting-guidelines.pdf, at 10)
- RBC Global Asset Management (https://www.rbcgam.com/documents/en/other/rbc-gam-proxy-voting-guidelines.pdf, at 24)
- BNY Mellon Investment Management (https://www.mellon.com/content/dam/mellondotcom/pdf/disclosures/proxy-voting-guidelines-mellon.pdf, at 8)
- T. Rowe Price (https://www.troweprice.com/content/dam/trowecorp/Pdfs/esg/proxy-voting-guidelines-TRPA.pdf, at 6)

Shareholders have access to abundant data on corporate political spending, which they can use to contextualize an individual company's practices and disclosures. The CPA-Zicklin Index of Corporate Political Disclosure and Accountability is a free yearly assessment of the quality of political disclosure by Russell 1000 companies. It evaluates companies along numerous dimensions directly relevant to the Proposal, including their disclosure of political spending policies; various kinds of expenditures (e.g., direct, trade association, and social welfare organizations); and board oversight of political spending.[44] The data contained in the CPA-Zicklin Index allows shareholders to discern best practices and benchmark companies against peers. Shareholders can also use the CPA-Zicklin Index to identify companies whose political spending disclosures include specific features of interest as a starting point for more in-depth research.

Public discussion and analysis of corporate political spending is robust and ongoing. Corporate money in politics, including the role it plays in influencing policy, is a frequent subject of articles in major U.S. newspapers.[45] Corporate contributions to members of Congress who voted against certifying President Biden's election in 2020 sparked a great deal of coverage and debate, prompting many companies to announce a "pause" on political giving, stop contributing, or disband their political action committees.[46] "Dark money" given by companies to politically active social

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[44] See, e.g., 2025 Index

[45] E.g., Robert McCoppin, "Hemp advocates gave campaign donations to lawmakers in fight over regulations," Chicago Tribune, Jan. 18, 2025); Briana Bierschbach and Kavita Kumar, "Giving to election deniers resumes," Star Tribune (Minneapolis), Jan. 28, 2024; Steven Lemongello, "Disney's pause on Florida political donations may be over," Tampa Bay Times, May 23, 2024; Ben Wiedler et al., "DeSantis talks tough on China, takes cash from China-backed company," The Miami Herald, Nov. 16, 2023; Ryan Randazzo, "Sinema among top takers of private prison donations," Arizona Republic, Sept. 3, 2023; Craig Mauger, "DTE pressed for brighter light on political activity," The Detroit News, Apr. 3, 2023; James T. Madore, "Amazon, Facebook, ExxonMobil and others pressured by NYS pension fund to change," Newsday (New York), June 4, 2023; Lisa Friedman, "Oil Interests Gave More Than $75 Million to Trump's PACs, New Analysis Shows," The New York Times, Nov. 1, 2024

[46] E.g., Lauren Hirsch, Charles Schwab to End All Political Donations and Shutter PAC," The New York Times, Jan, 13, 2021; Michael E. Porter and Bruce F. Freed, "Companies should reevaluate the full range of their political spending," The Boston Globe, Jan. 26, 2021; Dom Difurio, "Toyota donations trigger backlash," The Dallas Morning News, June 29, 2021; Ephrat Livni, "Taking Both Sides on Issues Like Voting Rights Can Cost Corporations," The New York Times, June 7, 2021; Michael Hiltzik, "The lasting legacy of Citizens United ruling," Los Angeles Times, Jan. 13, 2021; Kevin Hardy, "KC's Cerner Corp. suspends donations to Josh Hawley and others who 'incited violence,'" The Kansas City Star, Jan. 13, 2021; see also Ephrat Livni and Sarah Kessler, "After the Capitol Attack, Companies Pledged to Rethink Giving. Did They?" The New York Times, Jan. 6, 2024

welfare groups is a topic of significant public interest and led to a high-profile criminal prosecution.[47] For these reasons, there is no reason to believe that shareholders would be unable to understand data on Axon's political contributions.

In sum, the Proposal would not micromanage Axon. The Proposal does not request overly granular disclosure; instead, it asks for only the information necessary for shareholders to evaluate Axon's political spending oversight and to assess the risks presented by Axon's political spending. Shareholders can make an informed judgment about the Proposal's subject, given their long experience with and sophistication on the issue, the availability of detailed data on corporate political spending, and vigorous public discussion and analysis. Axon is thus not entitled to exclude the Proposal on micromanagement grounds.

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If you have any questions or need additional information, please do not hesitate to contact me at (212) 787-300 or at laura.campos@nathancummings.org.

Sincerely,

Laura Campos
Senior Director, Economic Justice

cc: Minh Van Ngo
mngo@cravath.com

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[47] E.g., Ephrat Livni et al., "Money in Politics, One Month Later," The New York Times, Feb. 6, 2021 (describing corporate donations to social welfare organizations, which are regulated by a defanged IRS, as enabling companies to take competing public and private stands); Mary Ellen Klas, "Responding to dark money controversy, NextEra did internal investigation into FPL," Miami Herald, Jan. 27, 2022; Kenneth P. Vogel and Shane Goldmacher, "Complex $1.6 Billion Donation Enriches Conservative War Chest," The New York Times, Aug. 23, 2022; Jake Zuckerman, "Feds charge former FirstEnergy CEO and ex-senior VP," Plain Dealer (Cleveland, OH), Jan. 18, 2025; Jake Zuckerman, "FirstEnergy cuts off its 'dark money' spigot in Ohio," Plain Dealer (Cleveland, OH), Oct. 25, 2022