

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 HOUSE BILL 4429

By: Hilbert

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5
6 AS INTRODUCED

7 An Act relating to proxy advisory services; enacting
8 the Proxy Advisor Transparency Act; making findings;
9 defining terms; imposing certain duties on proxy
10 advisors; requiring disclosure; prescribing methods
11 of notification; excluding certain proxy advisory
12 services with respect to financial interest testing;
13 prescribing requirements of financial analysis;
14 imposing duties with respect to certain services;
15 defining term; providing violation of requirements as
16 a deceptive trade practice; authorizing investigatory
17 powers to the Attorney General; authorizing civil
18 actions for declaratory judgment and injunctive
19 relief; defining aggrieved person; providing for
20 effect of enactment on certain pending claims;
21 providing for noncodification; providing for
22 codification; and providing an effective date.
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BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

19 SECTION 1. NEW LAW A new section of law not to be
20 codified in the Oklahoma Statutes reads as follows:

21 This act shall be known and may be cited as the "Proxy Advisor
22 Transparency Act".
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1 SECTION 2. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 1001 of Title 71, unless there
3 is created a duplication in numbering, reads as follows:

4 The Legislature finds as follows:

5 1. When shareholders hire professionals to manage investments,
6 they expect that the service will be performed in their financial
7 interest;

8 2. There is a particular need for disclosures for proxy voting
9 advice because that advice is often provided for hundreds or
10 thousands of shareholder votes each year and based on lengthy
11 policies that contain general statements but do not explain whether
12 or how the policy provisions will maximize returns for investors for
13 any particular company, or shareholder vote;

14 3. Proxy advisors in their benchmark policies have recommended
15 votes based on environmental, social, or governance (ESG) investing;
16 diversity, equity, or inclusion (DEI); and social credit and
17 sustainability scores. Proxy advisors have not conducted financial
18 analyses before making these recommendations, despite having proxy
19 voting policies claiming that the purpose of the policy's
20 recommendations is maximizing, increasing, or protecting shareholder
21 value;

22 4. Requiring proxy advisors to provide clear, factual
23 disclosures when they recommend casting a vote for a nonfinancial
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1 reason will prevent fraudulent or deceptive acts and practices in
2 this state;

3 5. A company that is the subject of a shareholder proposal
4 often has information regarding whether the proposal is in the
5 shareholder's financial interests or regarding the costs of the
6 proposal, and notice of a proxy advisor's recommendation allows the
7 company to provide additional responsive information to shareholders
8 that may prevent fraudulent or deceptive practices associated with
9 proxy advisors making recommendations for nonfinancial reasons. It
10 is not practical for a company to prebut every possible basis for an
11 erroneous proxy voting recommendation.

12 SECTION 3. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 1002 of Title 71, unless there
14 is created a duplication in numbering, reads as follows:

15 As used in this act:

16 1. "Company" means a publicly traded, for-profit corporation,
17 limited liability company, partnership, or other business entity;

18 2. "Company proposal" means any proposal made by a company to
19 its shareholders that is included in the company's proxy statement,
20 including, but not limited to, a proposal relating to director
21 nominations or elections, executive compensation, corporate
22 transactions, corporate structure, auditor selection, or company
23 policy on any subject;

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1 3. "Default recommendation or policy" means a system, set of
2 rules, principles, or guidelines designed to assist with voting
3 decisions on any company proposals or proxy proposals;

4 4. "Proxy advisor" means a person who, for compensation,
5 provides a proxy advisory service to shareholders of a company or to
6 other persons with authority to vote on behalf of shareholders of a
7 company;

8 5. "Proxy advisory service" means any of the following services
9 that are provided in connection with or in relation to a company, or
10 are provided to any person in this state:

- 11 a. advice or a recommendation on how to vote on a proxy
12 proposal or company proposal,
- 13 b. proxy statement research and analysis regarding a
14 proxy proposal or company proposal,
- 15 c. a rating or research regarding corporate governance at
16 one or more companies, or
- 17 d. development of proxy voting recommendations or
18 policies, including establishing default
19 recommendations or policies;

20 6. "Proxy proposal" means any proposal made by a shareholder of
21 a company that is included in the company's proxy statement,
22 including, but not limited to, a proposal relating to any of the
23 subjects that could be covered by a company proposal; and
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1 7. "Shareholder" includes a shareholder, unitholder, limited
2 partner, or other equity owner of a company;

3 8. "Written financial analysis" means a written document that:

- 4 a. analyzes the expected short-term and long-term
5 financial benefits and costs to the company of
6 implementing a company proposal or proxy proposal,
- 7 b. concludes what vote or course of action is most likely
8 to positively affect shareholder value, and
- 9 c. explains the methods and processes used to prepare the
10 analysis, including the experience and geographic
11 location of the personnel who formed the
12 recommendation.

13 SECTION 4. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 1003 of Title 71, unless there
15 is created a duplication in numbering, reads as follows:

16 A. If a proxy advisor makes a recommendation against company
17 management on a company proposal or proxy proposal, or makes a
18 default recommendation or policy involving votes against company
19 management on company proposals or proxy proposals, and the proxy
20 advisor does not do so based on a written financial analysis, the
21 proxy advisor shall:

22 1. Concurrently with providing the proxy advisory service,
23 include a conspicuous disclosure to each shareholder, or entity or
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1 other person acting on behalf of a shareholder, receiving the proxy
2 advisory service that:

- 3 a. identifies the service being provided,
- 4 b. identifies the recommendation or policy at issue,
- 5 c. states that the proxy advisor has made the
6 recommendation or policy without doing so based on a
7 written financial analysis regarding the impact of
8 that recommended action on company investors that:
 - 9 (1) analyzes the expected short-term and long-term
10 financial benefits and costs to the company of
11 implementing the company proposal or proxy
12 proposal,
 - 13 (2) concludes what vote or course of action is most
14 likely to positively affect shareholder value,
15 and
 - 16 (3) explains the methods and processes used to
17 prepare the analysis, including the experience
18 and geographic location of the personnel who
19 formed the recommendation;

20 2. For a proxy advisory service covered by subparagraphs a
21 through c of paragraph 5 of Section 3 of this act, concurrently with
22 providing the proxy advisory service, send by electronic means and
23 U.S. mail a copy of the disclosure under paragraph 1 of this
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1 subsection to the board of directors of each company that is the
2 subject of the service; and

3 3. While such services are being provided, publicly and
4 conspicuously disclose on the home or front page of the proxy
5 advisor's website a statement that the advisor's proxy advisory
6 services include one or more services that include recommendations
7 or policies against company management on company proposals or proxy
8 proposals that are not made based on a written financial analysis
9 regarding the impact of that recommended action on company investors
10 that:

- 11 a. analyzes the expected short-term and long-term
12 financial benefits and costs to the company of
13 implementing the company proposal or proxy proposal,
- 14 b. concludes what vote or course of action is most likely
15 to positively affect shareholder value, and
- 16 c. explains the methods and processes used to prepare the
17 analysis, including the experience and geographic
18 location of the personnel who formed the
19 recommendation.

20 B. If a proxy advisor makes a recommendation against company
21 management on a company proposal or proxy proposal, or makes a
22 default recommendation or policy involving votes against company
23 management on company proposals or proxy proposals, and the proxy
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1 advisor does so based on a written financial analysis, the proxy
2 advisor shall:

3 1. Concurrently with providing the proxy advisory service,
4 include a clear and conspicuous disclosure to each shareholder, or
5 entity or other person acting on behalf of a shareholder, receiving
6 the proxy advisory service that:

- 7 a. identifies the service being provided,
 - 8 b. identifies the recommendation or policy at issue,
 - 9 c. states that the proxy advisor has made the
10 recommendation or policy based on a written financial
11 analysis that:
 - 12 (1) analyzes the expected short-term and long-term
13 financial benefits and costs to the company of
14 implementing the company proposal or proxy
15 proposal,
 - 16 (2) concludes what vote or course of action is most
17 likely to positively affect shareholder value,
18 and
 - 19 (3) explains the methods and processes used to
20 prepare the analysis, including the experience
21 and geographic location of the personnel who
22 formed the recommendation, and
 - 23 d. states that the analysis is available upon request;
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1 2. Make such analysis available within a reasonable time to any
2 recipient of the proxy advisory service upon request;

3 3. For a proxy advisory service covered by subparagraphs a
4 through c of paragraph 5 of Section 3 of this act, concurrently with
5 providing the proxy advisory service, provide a copy of such
6 analysis to the board of directors of each company that is the
7 subject of the service.

8 SECTION 5. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 1004 of Title 71, unless there
10 is created a duplication in numbering, reads as follows:

11 A. A violation of this act is a deceptive trade practice under
12 applicable state law and is actionable under the enforcement
13 provisions of that statute. The Attorney General may exercise all
14 investigative powers under any applicable law related to deceptive
15 practices if the Attorney General has reason to believe a violation
16 has occurred, is occurring, or is about to occur.

17 B. In addition to enforcement under subsection A of this
18 section, any person aggrieved by a violation of this act may bring
19 an action seeking a declaratory judgment or injunctive relief
20 against a proxy advisor who violates this act. Not later than the
21 seventh day after the date on which an action is brought under this
22 subsection, the plaintiff shall provide written notice to the
23 Attorney General, who has a right to intervene in the action. For
24 purposes of this subsection, an aggrieved person includes:

1 1. A recipient of proxy advisory services provided by the proxy
2 advisor;

3 2. A company that is the subject of proxy advisory services
4 covered by subparagraphs a through c of paragraph 5 of Section 3 of
5 this act provided by the proxy advisor; and

6 3. Any shareholder, unitholder, limited partner, or other
7 equity owner of a company covered by paragraph 2 of this subsection.

8 SECTION 6. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 1005 of Title 71, unless there
10 is created a duplication in numbering, reads as follows:

11 Nothing in this act eliminates any claim under any applicable
12 law governing deceptive practices, regardless of whether that claim
13 accrues before or after the effective date of this act.

14 SECTION 7. This act shall become effective November 1, 2026.

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