



December 27, 2018

Mr. Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: File Number S7-25-18
List of Rules to be Reviewed Pursuant to the Regulatory Flexibility Act
Internet Availability of Proxy Materials
Shareholder Choice Regarding Proxy Materials
Proxy Disclosure Enhancements
Executive Compensation and Related Person Disclosure

Dear Mr. Fields:

The Society for Corporate Governance (the “Society”) appreciates the opportunity to provide comments in response to the U.S. Securities and Exchange Commission (“SEC” or “Commission”) request for comments on its semiannual regulatory agenda.

Founded in 1946, the Society is a professional membership association of more than 3,600 corporate and assistant secretaries, in-house counsel, outside counsel and other governance professionals who serve approximately 1,700 entities, including 1,000 public companies of almost every size and industry. Society members are responsible for supporting the work of corporate boards of directors and the executive managements of their companies on corporate governance and disclosure matters.

The Society appreciates the opportunity to comment regarding the list of rules to be reviewed pursuant to Section 610 of the Regulatory Flexibility Act¹, which includes several regulations that the Society has previously commented on or has otherwise urged the Commission to review.

Internet Availability of Proxy Materials and Shareholder Choice Regarding Proxy Materials

As part of the Commission’s effort to increase retail shareholder voting, we urge the Commission to reexamine the inter-related rules regarding Internet

¹ <https://www.sec.gov/rules/other/2018/33-10576.pdf>

Availability of Proxy Materials and Shareholder Choice Regarding Proxy Materials that enable the Notice & Access model for proxy material delivery. While the Society initially supported and continues to support the Notice and Access delivery model for proxy materials², more than ten years of data indicating a steep decline in retail shareholder voting strongly suggests the need to revise the rules to permit the inclusion of a proxy card or Voting Instruction Form (“VIF”) with the initial Notice of Internet Availability. This policy change would maintain the significant costs savings that the rule provided, while simultaneously increasing retail shareholder re-engagement in the corporate governance process. Because the Society shares the Commission’s consistent position that increasing retail shareholder voting is a priority, we urge re-examination of the rules regarding Internet Availability of Proxy Materials and Shareholder Choice Regarding Proxy Materials.

Proxy Disclosure Enhancements and Executive Compensation and Related Person Disclosure

As part of the SEC’s efforts to “facilitate timely, material disclosure by companies and shareholders’ access to that information,”³ the Society urges a comprehensive review of the requirements related to executive compensation and proxy disclosure. The significant increase in investor engagement with issuers requires on-going efforts by the SEC to ensure that proxy disclosure—including on critical matters such as executive compensation—provides shareholders material and actionable information for both investment decision making and proxy voting. To that end, the Society strongly supports periodic review of rules to facilitate effective disclosure and applauds the Commission’s inclusion of Proxy Disclosure Enhancements and Executive Compensation and Related Person Disclosure in the Section 610 review process.

The Society urges the Commission to review these important rules as part of its process to increase retail shareholder voter participation and improve disclosure effectiveness. We look forward to providing further comments and perspective as the Commission moves forward.

Respectfully submitted,



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SVP & General Counsel
Society for Corporate Governance

²The Society has supported this modification of the Notice & Access rule as early as a letter dated November 20, 2009. Available at <https://www.sec.gov/comments/s7-22-09/s72209-14.pdf>. We reiterated this recommendation in our comment on the Proxy Plumbing Concept Release. Letter dated November 3, 2010 at 4. Available at <https://www.sec.gov/comments/s7-14-10/s71410-260.pdf>

³ <https://www.sec.gov/spotlight/disclosure-effectiveness.shtml>