BOSTON COMMON
ASSET MANAGEMENT

84 State Street, Suite 940 | Boston, MA 02109

April 4, 2014

Commissioner Daniel Gallagher
U.S. Securities & Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Commissioner Gallagher,

We read with great interest your March 27, 2014 comments at Tulane University Law School about the SEC's regulation of Corporate Governance. As the lead filer of the shareholder resolution at PNC Financial that you cited as an example of "dubious 'significant policy issue' proposals," we wanted to provide you with greater context regarding our long-term engagement with PNC Financial, in addition to our view of the important role that shareholder resolutions play in supporting investor access to meaningful data.

Boston Common Asset Management specializes in sustainable and responsible global equity strategies. We seek long-term capital appreciation by investing in diversified portfolios of high quality, socially responsible stocks. Through our engagement activities we urge portfolio companies to improve transparency and accountability, and to manage for the long term. When used appropriately, we view access to the proxy through the shareholder resolution process as an important conduit to raise issues of concern with corporate management.

We have been in dialogue with PNC Financial (PNC) regarding climate change and mountain top removal (MTR) coal mining since 2010. We filed our shareholder resolution with PNC, focused on climate change risk, only after multiple efforts to engage the company in meaningful conversation proved unsuccessful. PNC may be affected by climate change in a number of ways, including through shifts in regulation, product demand, consumer expectations, and weather patterns. Certain industries, such as coal, in which PNC is highly involved, are disproportionately at risk of being subject to climate-related regulatory change. Lenders and investors expose themselves to systematic tail risks that may not be properly discounted in historically-based loan loss or valuation models. We believe that the company's current disclosure is insufficient, piecemeal, and anecdotal compared to that of its peers including BNP Paribas, Credit Suisse, HSBC, and Wells Fargo.

In 2013, 22.8% of PNC shareholders demonstrated shared concern by voting in favor of Boston Common's proposal. This represented $5.4b of PNC stock on the day of the AGM. The support garnered by our proposal demonstrates that a significant proportion of PNC shareholders identify climate change as a strategic issue. They see potential risk to the company, seek assurance that the company is being thoughtful in its response to this global phenomenon, and believe that additional disclosure is warranted. We do not believe that

Tel (617) 720-5557 Fax (617) 720-5665 Email invest@bostoncommonasset.com Web www.bostoncommonasset.com

only "institutions with idiosyncratic and often political agendas” voted these shares, as you have suggested. Rather, we believe that a broad spectrum of investors are aware of and concerned about the potential long-term implications of climate risk in their portfolios.

We believe that it should not be the SEC's role to arbitrate shareholders' interests and concerns, or to restrict dialogue and communication among investors around these topics. You spoke of the need to provide "investors with the information they need to make informed investment decisions." However, your comments appear to contradict this statement. When a significant percentage of shareholders, say over 20%, states uniquivocally that they have not received sufficient information on an issue, it should be a signal to the company, and to the SEC, that it is an issue requiring increased disclosure.

Sincerely,

Lauren Compere, Managing Director
Boston Common Asset Management