



June 29, 2016



2016-2017 Board of Directors

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The Honorable Mary Jo White
Chair, U.S. Securities and Exchange Commission
c/o Mr. Brent Fields, Secretary
100 F Street, N.E.
Washington, D.C. 20549-0609

Re: Proxy Disclosure Rules / Disclosure of Board Diversity

Dear Chair White:

The Forum of Executive Women (Forum) applauds the fact that the Division of Corporation Finance of the U.S. Securities and Exchange Commission (SEC) is considering recommending that the SEC propose amendments to the proxy rules to require additional disclosure about the diversity of board members and nominees. We are also encouraged by your recent speech indicating that the SEC Staff is, in fact, preparing such proposal "to require companies to include in their proxy statements more meaningful board diversity disclosures on their board members and nominees."¹ The Forum strongly supports gender and racial/ethnic diversity in the boardroom and enthusiastically favors the strengthening of existing proxy rules to require companies to disclose the gender and racial/ethnic composition of their boards and nominees for directors. We, therefore, submit the following comments.

The Forum is a membership organization of more than 450 executive women leaders actively working to leverage the power of executive women in the Greater Philadelphia region to expand the impact and influence of women leaders.² The membership of the Forum spans a wide variety of public and private companies. For many years, The Forum has issued annual reports on the status of women leaders in top area companies, featuring companies that are leaders in board diversity, and has promoted the now widely-accepted business case for gender diverse boardrooms.³ The SEC is quite familiar with that case, as your remarks regarding diversity in the boardroom have indicated.⁴

¹ "Focusing the Lens of Disclosure to Set the Path Forward on Board Diversity, Non-GAAP, and Sustainability," Chair Mary Jo White, June 27, 2016 (<https://www.sec.gov/news/speech/chair-white-icgn-speech.html>).

² See <http://foew.com> for additional information about the Forum.

³ See <http://foew.com/wp-content/uploads/2016/06/A-Case-for-Increasing-Gender-Diversity-on-Boards.pdf>.

⁴ See, e.g., "Completing the Journey: Women as Directors of Public Companies," Chair Mary Jo White, Sept. 16, 2014 (emphasizing that "board diversity makes for stronger boards.") (<https://www.sec.gov/News/Speech/Detail/Speech/1370542961053>), and "The Pursuit of Gender Parity in the American Boardroom," Chair Mary Jo White, Nov. 19, 2015 (pointing out that "[r]esults are what matter" and that we need to "get from A to B, "B" being gender parity on U.S. boards") (<https://www.sec.gov/news/speech/gender-parity-in-the-american-boardroom.html>). See also, "A Conversation with Chair Mary Jo White, Keynote Session 43rd Annual Securities Regulation Institute," Jan. 26, 2016 (stating that the SEC has a number of petitions pending that raise the issue of defining diversity in its rule "to at least include ethnicity, race, and gender ... and require disclosure of those facts.") (<https://www.sec.gov/news/speech/securities-regulation-institute-keynote-white.html>).

In 2009, the Forum communicated with the SEC in support of “disclosures relating to gender identity of board members and nominees, board diversity policies and goals and actions taken by the board to satisfy the policies and achieve these goals.”⁵ As a member of a national network of women’s executive organizations – ION (InterOrganization Network), we also shared ION’s concerns expressed in its letter to the SEC on the 2009 proposed rule amendments. That letter suggested that in order to “improve corporate governance through enhanced director and nominee disclosure,” the SEC should require public companies to disclose not only “whether and how diversity is considered by nominating committees in evaluating and selecting directors,” but also “the gender identity of directors and individuals nominated to become directors.”⁶

Current proxy disclosure rules should require detailed information about the gender and racial diversity of candidates for board seats. Investors need more meaningful dialogue and are concerned that some companies have not provided information on gender and racial diversity. Such entities prefer, instead, to talk broadly about diversity of viewpoint, education, skills and professional experience of their board members in compliance with the SEC’s current rules that allow companies to define diversity in ways that they consider appropriate. Though elements of diversity described above are important, we believe that unless the SEC rules clearly require boards to indicate how gender and race are taken into account in evaluating board diversity, boards will continue to lack sufficient gender, racial and ethnic diversity.⁷

We appreciate the steps the SEC has taken to date and your public commentary to numerous audiences about the importance of board diversity. We strongly recommend that the SEC amend the current proxy disclosure rules to require disclosure of gender and racial/ethnic diversity of board members and nominees as an important step toward achieving the critical goal of board diversity.

Sincerely yours,

The Forum of Executive Women


Suzanne S. Mayes
President

⁵The Forum’s Letter to Elizabeth Murphy, Secretary, SEC, *Re: Proxy Disclosure and Solicitation Enhancements*, Sept. 15, 2009.

⁶ION’s Letter to Elizabeth Murphy, Secretary, SEC, *Re: Proxy Disclosure and Solicitation Enhancements*, Sept. 9, 2009.

⁷See *2015 Catalyst Census: Women and Men Board Directors* (indicating that women represent only 19.9% of board members of companies in the S&P 500 Index).