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June 10, 2019

Ms. Vanessa Countryman
Acting Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090
Email: rule-comments@sec.gov

Re: SEC Staff Roundtable on the Proxy Process; File No. 4-725

Dear Ms. Countryman:

Teachers Insurance and Annuity Association of America (“TIAA”) appreciates the opportunity to submit comments on the topics explored in the U.S. Securities and Exchange Commission’s (the “SEC” or “Commission”) Staff Roundtable on the Proxy Process, held on November 15, 2018 (the “Staff Roundtable”).¹ We commend the Commission and its staff for undertaking a thorough review of the proxy voting system in the United States, and we echo our support for the Commission’s continued efforts to examine this subject, as previously expressed in our comment letter submitted in response to the Commission’s Concept Release on the U.S. Proxy System, File No. S7-14-10 (the “2010 Concept Release”).²

In this letter, we discuss our perspective on the following three issues related to the proxy advisory system:

1. We value the role of proxy advisors in helping us make informed judgments about how to vote our portfolio company shares to serve the best interests of our clients. We do not believe that current proposals to further regulate proxy advisors and their research reports

¹ *Statement Announcing SEC Staff Roundtable on the Proxy Process*, SEC Chairman Jay Clayton (Jul. 30, 2018), *available at*: <https://www.sec.gov/news/public-statement/statement-announcing-sec-staff-roundtable-proxy-process>.

² Letter of Jonathan Feigelson, Senior Vice President, General Counsel and Head of Corporate Governance of TIAA-CREF, to Elizabeth M. Murphy, Secretary, U.S. Securities and Exchange Commission, Re: Concept Release on the U.S. Proxy System, File No. S7-14-10 (Nov. 8, 2010), *available at*: <https://www.sec.gov/comments/s7-14-10/s71410-263.pdf>; Exchange Act Release No. 34-62495, Concept Release on the U.S. Proxy System (July 14, 2010), *available at*: <https://www.sec.gov/rules/concept/2010/34-62495.pdf>.

will provide meaningful benefits to investors or the market – in fact, we are concerned that these proposals would ultimately make it more difficult and costly for investors to make voting decisions.

2. We strongly support the Commission’s efforts to find new and better ways for record owners, beneficial owners, and issuers to confirm that a beneficial owner’s voting instructions were timely and accurately delivered and recorded.
3. We believe that the current thresholds for submitting and resubmitting a shareholder proposal pursuant to federal securities regulations are generally well balanced between the rights of shareholders and company boards and management.

About TIAA

Founded in 1918, TIAA is the leading provider of retirement services for those in academic, research, medical, and cultural fields. Over its century-long history, TIAA’s mission has always been to aid and strengthen the institutions and participants it serves and to provide financial products that meet their needs. To carry out this mission, TIAA has evolved to include a range of financial services, including asset management and retail services. Today, TIAA’s investment model and long-term approach serve more than five million retirement-plan participants at more than 15,000 institutions.³ With its strong nonprofit heritage, TIAA remains committed to our mission of serving the financial needs of those who serve the greater good.

About Nuveen

Nuveen, LLC (“Nuveen”), the investment management arm of TIAA, offers a comprehensive range of outcome-focused investment solutions designed to secure the long-term financial goals of institutional and individual investors. With \$930 billion in assets under management and operations in 16 countries, Nuveen and its investment manager and investment advisor affiliates offer deep expertise across a comprehensive range of traditional and alternative investments through a wide array of vehicles and customized strategies.⁴

Our Focus on Responsible Investing

Since 1970, TIAA has been a leader in responsible investing (“RI”), a constantly evolving discipline that incorporates the consideration of environmental, social, and governance (“ESG”) factors into investment research, due diligence, portfolio construction, and ongoing monitoring. TIAA’s foundation in RI is expressed through the engagement, integration, and impact principles incorporated throughout the investment management services Nuveen provides across all of its

³ Participant data are as of December 31, 2018.

⁴ Asset data are as of December 31, 2018.

affiliates.⁵ Drawing from TIAA's decades-long experience, Nuveen has implemented RI principles throughout the enterprise that support well-functioning markets in order to preserve financial, social, and environmental capital.⁶ We believe this approach benefits our long-term performance and helps reduce risk in our investments.

I. Proxy Advisors

A. Our use of proxy advisory services informs and facilitates, but does not substitute for, our exercise of independent judgment on how to direct the voting of portfolio company shares in the best interest of our clients.

As part of the Staff Roundtable, the SEC has asked whether various factors, including legal requirements, have resulted in investment advisers to funds and other clients relying on proxy advisory firms for information aggregation and voting recommendations to a greater extent than they should, and whether the extent of reliance on these firms is in the best interests of investment advisers and their clients, including funds and fund shareholders. Nuveen and its affiliates utilize the services of proxy advisors in two ways: (1) the corporate governance data, research publications, and voting recommendations provided by proxy advisory firms aid in our investment, engagement, and voting decisions, and (2) the voting platforms provided by those firms facilitate our submission of votes on behalf of all accounts managed by Nuveen. Proxy advisory services are a crucial part of Nuveen's voting process, but they are not a substitute for the exercise of our own independent judgment on how to vote our portfolio company shares. Rather, the information and services provided by proxy advisory firms help us use our resources efficiently to make informed, independent voting decisions based on our own policies and strategies. In that way, we believe our use of proxy advisory services ultimately serves our clients' best interests.

The research and reports provided by proxy advisory firms contain corporate governance information organized in a consistent and easily digestible way that plays an important role in Nuveen's voting decision-making process. The current corporate disclosure regime in the United States is not founded on a robust, regulatory corporate governance code, as is the case in other developed markets – and this makes it more difficult for firms like Nuveen to independently obtain the information they need to make informed voting decisions.⁷ In markets with an established

⁵ See Nuveen's Responsible Investing Summary Report: Our Three RI Principles (2018), *available at*: <https://www.nuveen.com/responsible-investing-summary-report>. The document includes an explanation of Nuveen's Principles of Responsible Investing.

⁶ TIAA is a founding member of the Sustainability Accounting Standards Board Investor Advisory Group, a signatory of the United Nations-backed Principles for Responsible Investment ("PRI") and a signatory and executive committee member of Green Bond Principles. Nuveen is a founding member of the Global Impact Investing Network Investors Council, a founding member of the Investment Leaders Group, and one of a group of PRI signatories that developed the Principles for Responsible Investment in Farmland, a precursor to today's PRI's Farmland Guidelines.

⁷ Nolan Haskovec, *Codes of Corporate Governance*, Millstein Center for Corporate Governance & Performance, Working Paper (June 2012) ("The United States . . . is almost alone among significant markets in having no single, authoritative national code of corporate governance serving as a generally-

corporate governance code, companies must follow a clear and consistent disclosure drafting framework,⁸ and are often required to publish a statement disclosing any areas of non-compliance and providing investors with information about the company's policies and procedures.⁹ In the U.S., on the other hand, while federal securities regulations require standardized forms of disclosure for certain matters (e.g., the summary compensation table for named executive officers),¹⁰ for many other topics, an investor is left to independently track down and synthesize information from a company's charter and bylaws, proxy statement, annual report, other SEC filings, and other policies and materials. Fortunately, rather than expending significant time and effort obtaining this information for themselves, investors can instead consult a proxy advisor's report, which provides a convenient overview of a company's relevant governance information in one document. Finding, compiling, analyzing, and synthesizing corporate governance information from tens of thousands of sources for all of an institutional investor's portfolio companies is a laborious process – and proxy advisory firms are much better suited than investors themselves to undertake that work, particularly with respect to more complex data (e.g., director and executive compensation figures).

Not only do proxy advisor reports provide investors with important information about their portfolio companies, they also support proxy advisors' voting recommendations, using data and analysis to link each voting recommendations to the advisor's policy guidelines.¹¹ The proxy advisor's analysis helps investors understand and evaluate how the advisor's policies compare with each investor's own values, strategies, and policies.

The level of Nuveen's reliance on a proxy advisor's recommendation for a given proposal varies based on the degree of correspondence between the proxy advisor's policy and the policy maintained by Nuveen on behalf of each of its affiliates with respect to the subject matter of that proposal. Each Nuveen affiliate is responsible for the creation and oversight of its own corporate governance program, which includes policies and procedures for proxy voting. The degree to which Nuveen will consider a proxy advisor's recommendation when making voting decisions

accepted benchmark of practices.”), *available at*:
https://millstein.law.columbia.edu/sites/default/files/content/docs/Codes%20of%20Corporate%20Governance_Yale_053112.pdf.

⁸ See generally Haskovec.

⁹ See, e.g., Financial Reporting Council, UK Corporate Governance Code 1–3, *available at*: <https://www.frc.org.uk/getattachment/88bd8c45-50ea-4841-95b0-d2f4f48069a2/2018-UK-Corporate-Governance-Code-FINAL.pdf>. See also Haskovec at 8, 19, 30; The International Finance Corporation, A Guide to Corporate Governance Practices in the European Union 2, 5–6 (2015), *available at*: <http://documents.worldbank.org/curated/en/750681468001781687/pdf/97118-WP-PUBLIC-Box391470B-CG-Practices-in-EU-Guide-PUBLIC.pdf>.

¹⁰ 17 CFR § 229.402(c) (2019).

¹¹ See, e.g., ISS, Current Voting Policies 2019, *available at*: <https://www.issgovernance.com/policy-gateway/voting-policies> (last visited Mar. 22, 2019); Glass Lewis, Policy Guidelines, *available at*: <http://www.glasslewis.com/guidelines> (last visited Mar. 22, 2019). See also ISS Governance QualityScore, Overview and Updates (Dec. 19, 2018), *available at*: <https://www.issgovernance.com/file/products/qualityscore-techdoc.pdf>.

varies by affiliate, and often by the specific company or issue that is the subject of a proposal. But even if a Nuveen affiliate ultimately follows the voting recommendations of a proxy advisor, voting decisions are always based on the affiliate's informed and independent judgment, formed after reviewing the substance of the proxy advisor's policy on the issue at hand. Furthermore, Nuveen retains the authority to override, on a case-by-case basis, any voting recommendation made by a proxy advisor that conflicts with the proxy voting policies of a Nuveen affiliate. Because each Nuveen affiliate makes independent investment decisions, and maintains its own proxy voting policies and processes, investment advisers across Nuveen's asset management platform may take divergent proxy voting actions as they consider various factors according to their individual procedures.

Where there is significant alignment between the recommendations of a proxy advisor and the voting patterns of an investor, this does not necessarily indicate that the investor is relying on voting recommendations to an inappropriate extent. Rather, we believe it more often reflects the fact that proxy advisors are responsive to the concerns of the investors they serve, such that their voting policies tend to be significantly similar to those of investors. The fact that proxy advisors' voting policies often mirror the concerns of investors undercuts the criticism that proxy advisors have undue influence on the voting decisions of their clients and the direction of corporate governance norms more broadly.¹² Proxy advisors update their benchmark policies on a yearly basis after receiving feedback from both investors and companies on the current issues being raised in the marketplace.¹³ Given that proxy advisors regularly update their policies with those changes that have received positive feedback and exclude any proposed changes that have raised significant concerns, we would argue that it is actually investors, not proxy advisors, who primarily drive the formation of proxy advisor policy – and thus it is unsurprising that investor voting decisions often follow proxy advisor recommendations.

¹² See Stephen J. Choi et al., *The Power of Proxy Advisors: Myth or Reality?*, 59 Emory L.J. 869, 906 (2010), ("ISS. . .bases its recommendations on factors that shareholders consider important . . . ISS is not so much a Pied Piper followed blindly by institutional investors as it is an information agent and guide, helping investors to identify voting decisions that are consistent with their existing preferences.").

¹³ ISS, Executive Summary Global Proxy Voting Guidelines Updates and Process, 2019 ISS Benchmark Policy Changes, Effective for Meetings on or after February 1, 2019 (Nov. 19, 2018) at 3, <https://www.issgovernance.com/file/policy/active/updates/Executive-Summary-of-ISS-Policy-Updates-and-Process.pdf> ("Each year, ISS conducts a robust, inclusive, and transparent global policy review process to update the ISS benchmark proxy voting guidelines . . . Based on information gathered throughout the year (particularly feedback from investors and companies during and after proxy season), ISS internal policy committees examine various governance and other voting topics across global markets . . . ISS then conducts policy surveys, convenes roundtable discussions, and posts draft policy proposals for an open review and comment period."). See also Letter of Katherine H. Rabin, Chief Executive Officer of Glass Lewis, to Dean Heller, Chairman, Subcommittee on Securities, Insurance & Investment 1 (June 1, 2018), available at: http://www.glasslewis.com/wp-content/uploads/2018/06/Glass-Lewis-Response-to-May-9-2018-Chairman-Heller-Letter_0601_FINAL.pdf ("Glass Lewis' voting policy guidelines are publicly available, open year-round to public comment and informed by feedback from all market participants. In 2017, more than 1,300 investors and 2,300 companies (of the more than 13,000 companies we contacted in 2017) provided feedback on Glass Lewis' policy guidelines.").

In addition to general benchmark standards, proxy advisors also offer specialized, thematic standards and research to reflect the philosophies of specific types of investors, such as labor funds, public funds, faith-based funds, and socially responsible investment funds.¹⁴ These “specialty” policies operate independently from benchmark standards, and separate research staff are often dedicated to providing voting recommendations that are consistent with the thematic standards of a specialty policy. A single proxy advisory firm with different thematic policies may offer conflicting recommendations on the same proposal, depending on the policy being used to make the recommendation. This fact both contradicts the contention that proxy advisors use their voting recommendations to advocate for outcomes that reflect their own policy preferences, and underscores the client-focused nature of proxy advisor voting recommendations. Furthermore, most institutional investors using proxy advisory firms and their online platforms vote based on a customized set of principles created by and specific to each investor.¹⁵ The prevalence of votes based on custom policies shows that proxy advisors accept differing viewpoints on corporate governance and do not use their positions to advocate for outcomes in line with their own standards.

Proxy advisors also offer convenient and cost-effective platforms for transmitting investors’ voting instructions to the appropriate parties for vote execution. Ultimately, proxy advisors allow their clients to access and manage corporate disclosures, advisor research reports, internal notes and communications, and a record of past votes from a single platform. Investors may outsource the mechanics of voting and recordkeeping to proxy advisory firms – but each investor retains the ability to customize applicable policies or specific votes to reflect the institution’s values and serve the best interests of clients. In short, it is the institutional shareholder – not the proxy advisory firm – that makes the ultimate voting decision.

B. Proposals to further regulate proxy advisors are misguided, as they pose no benefit to shareholders, underestimate the potential increase in proxy advisory service costs, and risk limiting investors’ access to the information they need to make voting decisions.

Every year, Nuveen completes a proxy voting review of more than 3,000 U.S. and 11,000 global companies and processes more than 100,000 unique agenda items. The vast majority of our

¹⁴ See ISS, Current Voting Policies 2019 / Specialty Policies / Taft-Hartley Proxy Voting Guidelines, Socially Responsible Investment (SRI) Proxy Voting Guidelines, Sustainability Proxy Voting Guidelines, Public Fund Proxy Voting Guidelines and Faith-Based Proxy Voting Guidelines, <https://www.issgovernance.com/policy-gateway/voting-policies> (last visited Mar. 22, 2019).

¹⁵ See Letter of Gary Retelny, President and CEO of ISS, to Brent J. Fields, Secretary, U.S. Securities and Exchange Commission, Re: SEC Staff Roundtable on the Proxy Process – File Number 4-725 (Nov. 7, 2018) at 1, *available at*: <https://www.sec.gov/comments/4-725/4725-4629940-176410.pdf> (“ISS implements more than 400 custom voting policies on behalf of institutional investor clients During calendar year 2017, approximately 87% of the total shares processed by ISS on behalf of clients globally were linked to such policies.”). See also Letter of Glass Lewis to Jay Clayton, Chairman, U.S. Securities and Exchange Commission, Re: SEC Staff Roundtable on the Proxy Process – File Number 4-725 (Nov. 14, 2018) at 4–5, *available at*: <https://www.sec.gov/comments/4-725/4725-4649188-176490.pdf> (“[T]he supermajority of Glass Lewis clients, which include the majority of the world’s largest public pension funds, asset managers and mutual funds, vote according to a custom policy or via a custom process, in what is becoming the standard practice among institutional investors.”).

voting decisions and actions are concentrated in a two-month period (“proxy season”). In the absence of more standardized corporate disclosure requirements or a commitment from companies to voluntarily follow a model disclosure format, we rely on proxy advisory firms to gather and synthesize the information we need to make informed voting decisions in a timely and efficient manner. We are concerned that recent proposals that would require proxy advisory firms to register with the Commission as investment advisers and further regulate proxy advisor research reports would both increase the cost of obtaining proxy advisory services and limit the amount of information proxy advisors can provide to investors in the condensed timeframe during which voting decisions are made.

Critics of proxy advisor practices contend that further regulation is necessary to address false and misleading statements that may be contained in proxy recommendations – but requiring proxy advisors to register as investment advisers would be an unnecessary, ineffective, and excessive response to this concern. In our experience, the information contained in proxy advisor reports is overwhelmingly accurate and reliable; and even in the rare instances where information may be mischaracterized, it is more efficient and appropriate for portfolio companies to address the issue directly with investors.¹⁶ We respectfully contend that the SEC is overly focused on whether proxy advisors’ recommendations support portfolio companies’ management. We believe the more important issue is whether there is a sufficient flow of information between investors and portfolio companies to ensure that investors have access to accurate, material data about the companies in which they invest. From the institutional investor’s perspective, the primary concern when making a voting decision is whether a portfolio company is making sufficiently clear disclosures and meeting high standards of accountability and transparency – and subjecting proxy advisors to a burdensome and ineffectual regulatory regime is not the best way to address that concern. We believe the Commission should instead focus on facilitating the direct lines of communication between investors and portfolio companies, rather than working to further regulate proxy advisors and their communications.

In our experience, proxy advisory firms already have robust policies in place to ensure that the data and analysis they provide is accurate and transparently sourced. Both Institutional Shareholder Services, Inc. (“ISS”) and Glass Lewis & Co. LLC (“Glass Lewis”) provide detailed policy guidelines so that both investors and portfolio companies have equal access to and insight into the analytical framework that drives the proxy advisors’ recommendations.¹⁷ In addition to providing transparency into their policies, both proxy advisors have adopted a common code of

¹⁶ ISS and Glass Lewis provide means for companies to check and confirm data presented in their benchmark reports. See Letter of Gary Retelny (ISS) (Nov. 7, 2018), at 10 (“In the U.S., constituents of the [S&P 500] generally receive an opportunity to review a draft analysis for factual accuracy prior to the delivery of the report to clients, and ISS considers other requests for review and comments on a case-by-case basis . . . ISS offers all issuers a free copy of the published analysis for their own shareholder meetings upon request. This affords issuers the opportunity to bring any factual error in the report to ISS’ attention.”); Letter of Glass Lewis (Nov. 14, 2018), at 5–6 (discussing Glass Lewis’ resource center on its website designed for issuers to participate in Glass Lewis’ Issuer Data Report program and to report any purported factual error or omission in a research report).

¹⁷ See ISS, Current Voting Policies 2019; ISS, Governance QualityScore, Overview and Updates (Dec. 19, 2018); Glass Lewis, Policy Guidelines.

conduct and have made meaningful progress toward creating policies to mitigate potential conflicts of interest and provide transparency where a conflict may be present.¹⁸ Any remaining concerns about how proxy advisors ensure accuracy of information would be best addressed through direct dialogue and collaboration between advisors and their clients, without regulatory intervention in the client/provider relationship.

Requiring proxy advisors to register as investment advisers would increase the cost of obtaining these firms' services – and some of the associated requirements that have been proposed (e.g., a required review and comment period for all reports prior to publication) would hinder the voting process of every investor that leverages those reports. At the height of proxy season, Nuveen may vote over 300 meetings globally on a given day, including over 120 meetings for U.S. companies alone. In many circumstances, proxy advisor research reports, which are always published before any custom voting recommendations can be made, are not available until two weeks prior to an annual meeting. Even with the significant resources dedicated to our corporate governance program, it would be impossible for Nuveen to collect all of the necessary data about each company, complete thorough due diligence, engage with the company if necessary, and submit the necessary votes if the proxy advisor report for each company were delayed. Therefore, any new regulatory requirements that apply to proxy advisor reports could have the unintended effect of reducing the time and consideration investors give to the company-specific factors that underlie their voting decisions, potentially forcing them to make voting decisions based on incomplete information.

In summary, the new regulatory requirements that have been proposed for proxy advisors and their reports would provide no material benefit to investors like Nuveen, but would significantly increase the cost of obtaining proxy advisory services and delay the research reports that many investors rely on to make informed decisions and fulfill their duties to clients.

II. Proxy Plumbing

Record owners, beneficial owners, and issuers should be able to more easily confirm that beneficial owners' voting instructions were timely and accurately delivered and recorded.

At a time when a company's reputation and standing in the community has become more important than ever to shareholders and the companies in which they invest, we fully concur with the SEC's statement in the 2010 Concept Release that "both record owners and beneficial owners should be able to confirm that the votes they cast have been timely received and accurately recorded and included in the tabulation of votes, and issuers should be able to confirm that the votes they receive from securities intermediaries/proxy advisor firms/proxy service providers on behalf of beneficial owners properly reflect the votes of those beneficial owners."¹⁹ Unfortunately, we do not believe that the current proxy process achieves this two-pronged objective.

¹⁸ See Letter of Gary Retelny (ISS) (Nov. 7, 2018), at 12–13; Letter of Glass Lewis (Nov. 14, 2018), at 8–10.

¹⁹ Exchange Act Release No. 34-62495 (July 14, 2010), at 38.

A critical element of the proxy process is the ability to track the progress of investors' voting instructions. However, once an investor's voting instructions are sent via a proxy advisor, the investor generally does not get a confirmation that these instructions have been received and accurately executed by the portfolio company's tabulator without having to expend significant resources to audit each step in the vote transmission process.

In addition to the lack of end-to-end vote confirmation, at times we have observed discrepancies in the ballot and agenda information provided by different intermediaries in the voting process that create uncertainties as to whether our votes have been accurately recorded for each of the relevant agenda items. These discrepancies can result from mistakes in agenda coding, management proposals being presented as shareholder proposals and vice versa, and agenda items appearing in a different order than presented by the company in its proxy material. While these mistakes can appear trivial and are often easily remedied, even small errors such as these can cause votes to be incorrectly cast.

A primary focus of the SEC as it reviews proxy plumbing should be ensuring transparency and accuracy throughout the voting process. Although holders of common stock may theoretically enjoy contract-based protection of their interests, as a practical matter they generally place their trust in the directors, whom they elect, and use their right to vote at shareholder meetings to ensure board accountability. The exercise of proxy voting rights is one of the most important means institutional investors have to engage their portfolio companies on issues that may affect long-term, sustainable profits. We therefore encourage the Commission to continue reviewing all possible avenues to modernize the proxy voting process for shareholders.

III. Shareholder Proposals

Current thresholds under federal securities regulations for offering and resubmitting a shareholder proposal are well balanced and should not be changed.

We believe there are certain shareholder rights that should be respected by all publicly traded companies regardless of their domicile. Similarly, we believe that shareholders should exercise their rights responsibly. Investors should carefully and thoughtfully use the shareholder rights granted to them through applicable state law, federal securities law, and the company's governing documents. Companies should not have to continuously expend corporate resources responding to shareholder demands that the average prudent and responsible shareholder would deem frivolous, unreasonable, or immaterial to the long-term economic value of the company. Current thresholds for offering and resubmitting a shareholder proposal pursuant to Rule 14a-8 under the Securities Exchange Act of 1934²⁰ are, in our view, generally well balanced between the rights of shareholders and company boards and management. Any material increase in these thresholds could impose burdens on the shareholder oversight framework established by Rule 14a-8 that would outweigh the benefit of potential reductions in corporate expenditures.

The marketplace standards regarding best practices in corporate governance are continuously evolving, but often change slowly. Company- and industry-specific developments, as well as

²⁰ 17 C.F.R. §§ 240.14a-8(b)–(h), (i)(12) (2019).

macroeconomic events, regulatory changes, and stakeholder concerns, can change dramatically over a three- or five-year period. An issue that was only of interest to a small subset of investors in the past may transform into a material, mainstream issue.²¹ Long-term investors should not be barred from the ability to submit or vote on material issues because one shareholder made a similar request when the issue was still premature. In addition, the SEC already provides companies with a sufficient set of rationales²² to exclude a shareholder proposal, beyond Rule 14a-8(i)(12), that ensures any issue being resubmitted in subsequent years merits consideration under the Rule. The costs incurred by the company to complete its review, outreach, statement in support or opposition, and ultimately its response depending on the vote outcome are not trivial, but are in our view a justified expense to certify to long-term shareholders that the company has continued to monitor the issue and that no further shareholder action is warranted at the present time.

Conclusion

In closing, we thank the SEC for providing the public with an opportunity to offer comments on the Staff Roundtable. We commend the Commission for identifying and analyzing the pros and cons of the current, highly complex proxy voting system. In our view, there is much more the SEC could do to make this system operate more efficiently and effectively to serve the shared interest of public companies and their shareholders in promoting the informed exercise of voting rights by investors in corporate stock, at a "reasonable" cost.

If you would like to discuss any of the issues raised in our letter, please do not hesitate to contact us.

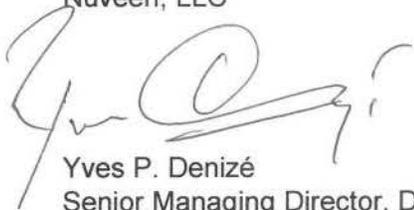
²¹ For example, in response to a combination of engagement and non-binding shareholder proposals, 92% of S&P 500 companies now hold annual elections for all directors (as opposed to annual elections for one class of directors on a classified board with staggered terms), up from 66% in 2008; and, 89% of S&P 500 companies have adopted majority voting in director elections (replacing plurality voting standards in uncontested elections), up from 56% in 2008. Spencer Stuart, 2018 Spencer Stuart U.S. Board Index (Nov. 2018), at 15, *available at*: <https://www.spencerstuart.com/-/media/2018/october/ssbi-2018-final.pdf>. In addition, 78% of companies in the S&P 500 issued a sustainability report during the most recent reporting period. From a global perspective, 93% of the world's largest companies disclose some environmental and social performance metrics, which is "a starkly different picture from the 1980s." IIRC Institute and Sustainable Investments Institute, State of Sustainability and Integrated Reporting 2018 (Nov. 2018), at 3, *available at*: <https://www.weinberg.udel.edu/IIRCiResearchDocuments/2018/11/2018-SP-500-Integrated-Reporting-FINAL-November-2018-1.pdf>. Furthermore, with respect to shareholder proposals, the percentage of environmental and social proposals that receive support above 30 percent of votes cast has increased from less than 1% in 2000 to 13% in 2010 to upwards of 36% in 2018. ISS Discusses US Proxy Voting Trends from 2000 to 2018: Environmental and Social Issues via The CLS Blue Sky Blog (Feb. 5, 2019), *available at*: <http://clsbluesky.law.columbia.edu/2019/02/05/iss-discusses-u-s-proxy-voting-trends-from-2000-to-2018-environmental-and-social-issues/>.

²² Bases for exclusion under 17 C.F.R. § 240.14a-8 include several "procedural" bases under Rule 14a-8(b)–(g) (e.g., untimely submission and failure to properly document beneficial ownership) and "substantive" bases under Rule 14a-8(i)(3)–(13), such as violation of federal proxy rules, focus on personal grievances, lack of relevance, absence of authority, and treatment of matters related to a company's ordinary business.

Sincerely,



Amy M. O'Brien
Senior Managing Director, Head of Responsible Investing
Nuveen, LLC



Yves P. Denizé
Senior Managing Director, Division General Counsel
Nuveen, LLC

cc: The Honorable Jay Clayton
The Honorable Robert J. Jackson Jr.
The Honorable Hester M. Peirce
The Honorable Elad L. Roisman