November 22, 2021

Vanessa A. Countryman
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re: Release Nos. 33-10998; 34-93311; IC-34399; File No. S7-12-15, Comments on Reopening of Comment Period for Listing Standards for Recovery of Erroneously Awarded Compensation

Dear Secretary Countryman:

I write on behalf of the New York State Common Retirement Fund (“Fund”), which is the third largest public pension fund in the United States, with an estimated $267.8 billion in assets under management as of September 30, 2021. The Fund holds and invests the assets of the New York State and Local Retirement System on behalf of more than 1.1 million members and beneficiaries and pays over $1 billion per month in benefits.

I am writing in support of the Securities and Exchange Commission’s (“Commission”) proposed rule (“Rule”) “Listing Standards for Recovery of Erroneously Awarded Compensation,” required by Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. A listing standard requiring clawback policies and disclosure for all publicly listed companies would establish a strong baseline and provide investors a uniform minimum standard for listed portfolio companies.

The Fund believes that strong clawback policies and procedures are an essential element of an effective company pay program. We emphasize in the Fund’s Proxy Voting Guidelines that clawback policies are in the best interest of shareholders. Clawback policies have a number of potential benefits for investors, including: improving the connection between pay and performance in executive compensation programs; discouraging executives from taking actions that may temporarily increase share prices, but ultimately result in a financial restatement that can harm the company’s performance; holding executives accountable when they exploit financial reporting and internal controls; and focusing executives on the quality of a companies’ financial reporting and internal controls.
Furthermore, we believe that, in addition to instances of material restatements, clawbacks should be required in other situations as well. The SEC should expand the clawback rule to address instances of misconduct by executives, including recouping compensation made to executives during periods of fraudulent activity, inadequate oversight, misbehavior, including discrimination and harassment of any kind, or gross negligence, which impacted or is reasonably expected to impact financial results or cause reputational harm.

We urge the Commission to promptly complete this rulemaking and thank you for your consideration of these comments.

Sincerely,

[Signature]

Liz Gordon
Executive Director of Corporate Governance