

Missionary Oblates of Mary Immaculate

Justice & Peace / Integrity of Creation Office, United States Province



September 14, 2009

Ms. Elizabeth M. Murphy
Secretary Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090



RE: Comments on Proposed Rule Change to Proxy Disclosure and Solicitation Enhancements (File No. S7-13-09)

Dear Ms. Murphy:

I am writing on behalf of the Missionary Oblates of Mary Immaculate. We are a religious order in the Roman Catholic tradition with over 4,000 members and missionaries in more than 65 countries throughout the world. Our investment principles are grounded in our faith tradition and missionary experience and sustainability is an important priority in our investment process. We welcome this opportunity to comment on the Commission's proposal affecting Proxy Disclosure and Solicitation Enhancements. This letter specifically addresses the Commission's request for commentary on board composition and diversity as detailed in File S7-13-09: "Should we amend Item 407(c)(2)(v) to require disclosure of any additional factors that a nominating committee considers when selecting someone for a position on the board, such as diversity? Should we amend our rules to require additional or different disclosure related to board diversity?" The Commission further states it is "interested in understanding whether investors and other market participants believe that diversity in the boardroom is a significant issue" and "whether additional disclosure in this area should be required."

As investors deeply interested in a broad set of factors including inclusivity and diversity we unequivocally believe that diversity in the boardroom is a significant issue. Thus, it is our position that additional disclosure related to diversity should be required. We encourage the Commission to require disclosure of 1.) efforts undertaken by the nominating committee to ensure a diverse group of nominees are considered and 2.) the gender and ethnic composition of the currently seated board.

Currently, Item 407(c)(2)(v) requires disclosure of any specific minimum qualifications that a nominating committee considers essential in a nominee. Being transparent about qualification requirements for board members of publicly traded companies is a basic aspect of good governance. Indeed, as a result of this requirement many board nominating committees explicitly state diversity as a qualification considered by the committee.

However, it is an unfortunate fact that visibility into the diversity of corporate boards ends there. Nowhere are U.S. companies required to clearly disclose the gender and/or ethnic balance of the board. Yet, such diversity on boards can improve decision making by fostering an environment in which boardroom debate is broadly informed by a range of perspectives. CalPERS, the largest public pension fund in the U.S., has undertaken efforts to diversify boards and believes that homogenous boards may find themselves at a competitive disadvantage.

A 2008 study by the European Corporate Governance Institute and London School of Economics found that an appropriately diverse Board is more likely to hold CEOs accountable. For investors like the Missionary Oblates of Mary Immaculate who consider board diversity an indicator of good governance, the current lack of disclosure creates a needless obstacle to quick and accurate assessments of board diversity.

In addition, in 2006, Boston Common undertook a survey of its portfolios to determine the gender composition of the boards and efforts undertaken to ensure diversity. They found that while most companies agree that board diversity is important, very few had developed plans to improve diversity. This was even true of companies with 100 percent homogenous white male boards. We consider this lack of strategic planning to improve diversity an underlying contributor to the fact that just 15.2 percent of board seats in the Fortune 500 were held by women in 2008, according to estimates by Catalyst.

Board diversity is good governance. Enhanced disclosure by U.S. companies on the gender and ethnic make-up of their boards and specific efforts being undertaken to ensure diversity would aid investors wishing to make more fully informed decisions about the governance quality of boards. We therefore encourage the Commission to require disclosure of 1.) efforts undertaken by the nominating committee to ensure a diverse group of nominees are considered and 2.) the gender and ethnic composition of the currently seated board.

Thank you for your time and consideration of these comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'Séamus P. Finn', followed by the initials 'O.M.I.' written in a smaller, cursive hand.

Rev. Séamus P. Finn, OMI

Director

Justice, Peace and Integrity of Creation Office

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