

**Re: Comments on Proposed Rule: Proxy Disclosure
and Solicitation Enhancements**

File No. S7-13-09

The Ministers and Missionaries Benefit Board (MMBB) wishes to comment on the proposed Proxy Disclosure and Solicitation Enhancements. Our interest is twofold and intertwined:

1. As an organization providing a retirement plan and investing the assets of that plan we are interested in voting proxies in the best economic interests of our plan members (participants) and in having the best possible management for the corporations in which we invest.
2. As a religious organization we are committed to all forms of justice including opposing the systematic exclusion of anyone based on race or gender from participating in any facet of business or society.

We support:

1. A requirement of detailing “the particular experience, qualifications, attributes or skills that qualify that person to serve as a director of the company.” Currently, descriptions of candidates’ qualifications are very brief, often to the point of being non-informative. Corporations that put considerable thought and effort into composing their boards should welcome the opportunity to tout the talent they have recruited. As well, such additional transparency minimizes the probability that less qualified directors will be nominated as a result of cronyism.
2. The notion of requiring corporations to report additional factors that a nominating committee considers when selecting among candidates, such as diversity. Published research (source: Catalyst) has shown that favorable financial performance among corporations is highly correlated with more gender-diverse workforces and more gender-diverse boards. Soon to be published research conducted in the UK is expected to corroborate those findings. Further, corporations with more gender-diverse boards are shown to have more gender-diverse workforces. If corporations were encouraged to report additional factors considered in their selection process, such as diversity, it would be a signal to their investors that the corporation is committed to reaching as far as possible in searching for excellence and has a higher probability of achieving it.

In considering these two proposals in tandem, MMBB would summarize its support as follows. While we would not interfere with the director nomination process by mandating quotas of any kind of representation on corporate boards, we think it possible for nominating committees to do a better job of considering a broader field of candidates and in more thoughtfully composing their boards of directors. As supported by the research referenced above, we believe that more diverse boards can lead to enhanced corporate performance, which is by definition in the best interest of our retirement plan members (participants).

There is an additional marketplace factor that cannot be ignored: many corporations are limiting the number of external boards that their respective CEOs may serve on. Hence, the diligent nominating committee will necessarily need to consider candidates from the C-suite ranks, e.g., COOs and CFOs. With the usual search process already broadening the time is opportune to adopt a more open mind and consider the diversity that the board is building, diversity of skills

and diversity in all other respects with the expectation that the end result will be well credentialed boards and enhanced financial performance.