



## Ursuline Sisters of Tildonk

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August 26, 2009

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

### **Re: Proxy Disclosure and Solicitation Enhancements (File No. S7-13-09)**

On behalf of the Ursuline Sisters of Tildonk, U.S. Province, I write in support of the Securities and Exchange Commission's proposed rule, *Proxy Disclosure and Solicitation Enhancements*.

The Ursuline Sisters of Tildonk believes enhanced disclosure of director nominees is important to restore investor trust in boards of directors and to better corporate governance for the long term. We think that increased diversity disclosure helps investors make better voting decisions and may lead to a better judgment of the entire board. The Ursuline Sisters will address the need for (1) disclosure of whether diversity is considered in the director nomination process and (2) disclosure of the gender and racial breakdown of directors and director nominees.

The Ursuline Sisters believes sound corporations follow excellent governance principles and pay close attention to corporate policies and practices as they impact society. The well-governed sustainable company meets high ethical standards and operates in the best interests not only of its investors but also of its employees, customers, suppliers, communities and the global environment. Our opinion is that these are the companies that avoid unnecessary financial risk and are better positioned for the long term.

The Ursuline Sisters of Tildonk has been an active investor as a member of the Tri-State Coalition for Responsible Investment since the mid 1970s. The Sisters have filed shareholder resolutions on social, environmental and governance issues, taken part in dialogues with management, attended annual shareholder meetings and voted proxies. Most recently, corporate governance has become a priority for the Ursuline Sisters.

We have seen a series of corporate governance failures, recently, that can be attributed to boards of directors whose obligation is to represent shareholder interests. Scores of directors failed to properly manage these duties, and from Enron and WorldCom through AIG, Fannie Mae and Citigroup, millions of shareholders and the U.S. economy have been harmed.

Thus, we join colleagues who believe this is a good time to examine rules governing nominee and director background disclosures. Current practices that guide the director, nominee and

nomination process have little or no meaningful disclosure. As proxy voting investors we read many proxy statements and annual reports each year. It is rare that we receive proxy disclosures adequate for assessing director backgrounds—and, more rare, that we are able to ascertain racial and gender diversity e.g. no photos, initials instead of first names.

We believe diversity is critical for a well-functioning board. It indicates good governance. We've argued in shareholder resolutions that today's global marketplace demands a wide range of viewpoints, backgrounds, experience and expertise so that managements have the ability to make right decisions. Director and nominee diversity ought to include a balance among race, gender, culture, age, thought and geography so that differing perspectives are brought to discussions arising in the societies in which companies are operating.

- **Disclosure of whether diversity is considered in the director nomination process**

The Ursuline Sisters of Tildonk believes companies should include diversity in race and gender in director selection criteria and implement the criteria so that each slate of directors includes qualified women and minority candidates. We encourage the SEC to require companies to disclose whether they consider diversity in the nomination of director nominees. Disclosure would demonstrate to investors that nominating committees have contacts and processes for looking beyond their friends and colleagues for independent nominees.

- **Disclosure of gender and racial breakdown of directors and nominees**

Companies also must offer director and nominee race/ethnic and gender representation data. There are some companies which have no photos and which use initials rather than names making gender representation difficult to determine. However, even where one can figure out who the females are, there is no way to accurately decide what the level of minority representation is on corporate boards. Data has been requested for years by investors who wish to make better proxy voting decisions.

In closing, we believe current proxy disclosures limit investors' ability to properly assess director nominees and board composition. Additional disclosure of director diversity, both in qualifications of candidates and in representation data, may restore investor confidence and will make possible more informed votes. Thank you for the opportunity to comment. We urge you to expand proxy disclosure requirements to include these director diversity provisions.

Yours truly,

A handwritten signature in cursive script that reads "Valerie Heinonen," with the initials "o.s.u." written below it.

Valerie Heinonen, o.s.u.  
Consultant, Corporate Social Responsibility