



Dominican Sisters of Hope

August 25, 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 Dominican Sisters of Hope, I am writing in support of the Securities and Exchange Commission's proposed rule, *Proxy Disclosure and Solicitation Enhancements*.

The Dominican Sisters of Hope thanks you for the opportunity to comment. We believe enhanced disclosure of director nominees will raise investor trust in boards of directors and for corporate governance into the long term. Specifically, increasing diversity disclosures will help investors make more informed proxy voting decisions and better assessment of the entire board. The Dominican Sisters welcomes the opportunity to comment on these provisions and would like to 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 Dominican Sisters of Hope believes strong, adaptable corporations establish and practice good corporate governance and direct attention to corporate social responsibility. The well-governed sustainable company, in our opinion, meets high ethical standards and operates in a manner that promotes the best interests its investors, employees, customers, suppliers, global communities and the environment. We think these are the companies that avoid unnecessary financial risk and that are better placed for long-term success.

The Dominican Sisters of Hope has been an active investor since the late 1970s. Although the Sisters' portfolios are relatively small, the religious order has filed shareholder resolutions, participated in conversations with management, voted proxies and attended annual shareholders meetings. Social and environmental concerns have always been important and more recently, we've recognized the impact good corporate governance can have on improving societal and environmental problems.

We have seen, in recent years, a series of corporate governance failures that can be attributed to boards of directors whose obligation is to represent shareholder interests. Thus, we believe it is time to examine rules guiding disclosure of the director, nominee and nomination process and strengthen them so that investors get sufficient, useful information for voting. As proxy voting investors we read hundreds of proxy statements and annual reports each year. It is rare that proxy disclosures are adequate to properly assess a director's background—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 to a well-functioning board. We've argued in shareholder resolutions that our global marketplace requires a wide range of viewpoints, backgrounds, experience and expertise to enhance management's 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 issues arising in the societies in which companies are operating.

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

We believe companies must include diversity in race and gender in director selection criteria and ensure 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 nominating directors. Disclosure would give investors confidence that nominating committees look beyond traditional networks for nominees.

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

Companies also must give director and nominee race/ethnic and gender representation data. There are some companies which have no photos and which use initials rather than names so that gender cannot be determined. However, even where one can figure out who the females are, there is no way to determine the level of minority representation. Data has been long sought after by investors to make better proxy voting decisions on the important question of board member selection.

We suggest that 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, is critical to restore investor confidence and make possible a more informed vote. We urge you to include these director diversity provisions in proxy disclosure requirements.

Yours truly,

Handwritten signature of Valerie Heinonen in cursive script, with the initials "o.s.u." written below the name.

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