Ohio Public Employees Retirement System

April 29, 2011

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

Via Email: rule-comments@sec.gov

Re: File Number S7-13-11 – Listing Standards for Compensation Committees

Dear Ms. Murphy:

I am writing on behalf of the Ohio Public Employees Retirement System ("OPERS"), a public pension fund that provides retirement, disability and survivor benefit programs for public employees. OPERS is the 12th largest public retirement system in the country, manages approximately $75.7 billion in assets as of December 31, 2010 and serves approximately 954,000 members. OPERS appreciates the opportunity to provide comments on the Securities and Exchange Commission's ("SEC" or "Commission") proposed rule *Listing Standards for Compensation Committees* ("proposed rules").

Boards of Directors are shareowners' representatives at public companies. As such, OPERS believes Directors should be held accountable for the consistent implementation of the best practices standards. One key measure of board performance is how effectively a company's executive compensation practices and policies link pay to performance for the purpose of building sustainable, long-term shareowner value. OPERS believes executive compensation should be linked directly with the performance of the business the executive is charged with managing, it should not have an unreasonable annual cost, and it should be benchmarked against appropriate peer groups.

OPERS' specific comments on the Commission's proposed rules follow:

Applicability of Listing Requirements

OPERS believes that all public companies should have compensation committees to develop, approve, monitor, and disclose the company's compensation philosophy with respect to the entire range of executive pay elements. The committee should also maintain a compensation policy that provides details on the method and measures the company uses to link pay to performance and the allocation of company stock to executives as part of their compensation. This policy should also include limits on stock option grants to executives after taking into consideration the potential dilution to its shareowners. The key terms of this policy should be disclosed to shareowners to assist with shareowners' rights to vote on equity compensation plans and material revisions to those plans, the advisory vote on executive compensation, and director accountability. The absence of a compensation committee could limit shareowners' ability to determine directors' roles. For instance, if executive compensation is excessive relative to performance, the directors on the compensation committee should be held accountable for the poor implementation of compensation practices and policies that link pay to performance for the purpose of building sustainable, long-term shareowner value.

Independence

OPERS believes boards of directors should be comprised of a substantial majority (at least two-thirds) of independent directors. The definition of independence should go beyond the minimum definitions of independence incorporated in the listing standards of the exchanges. Independence means the director has no ties to the company, either past or present, other than his or her board seat. In addition, the director should not provide, or be affiliated with any organization that provides goods or services to the company.

The compensation, audit, and governance/nominating committees are key board committees that must be comprised solely of unbiased, independent directors. These three key committees and their respective independent chairpersons and independent directors provide critical oversight roles over management and constitute an essential element in establishing the credibility and effectiveness of the board.

Authority to Engage Compensation Advisers; Responsibilities; and Funding

OPERS believes the compensation committee must have the right to retain, evaluate, and set the compensation of outside board consultants (compensation advisers, legal advisers, or other advisers) coupled with the right to speak directly to employees below the executive level.

Compensation Adviser Independence Factors

Compensation advisers are engaged to provide objective, independent, expert advice to the compensation committee. When a compensation adviser receives income for providing other services to the company, an adviser’s objectivity can come into question. Consistent with the compensation adviser independence emerging best practice, the compensation committee should retain the compensation adviser to provide only compensation related services for the company. All fees paid to compensation advisers and potential conflicts of interest should be disclosed annually. The compensation committee should also impose limits on the company’s ability to hire staff from the compensation adviser.

Implementation of Listing Requirements

OPERS’ Corporate Governance Policy and Proxy Voting Guidelines provide best practices standards for all public companies. Therefore, the SEC’s final rules should apply to all exchanges and public companies, and no exceptions should be granted. The final rules should be effective for the 2012 proxy season.

OPERS appreciates the opportunity to express its views on listing standards for compensation committees. If you have any questions, please contact me at (614) 222-0398 or Jennifer Williams, Corporate Governance Specialist, at (614) 227-1003.

Sincerely,

Carol Nolan Drake

Carol Nolan Drake
Chief External Affairs Officer