

Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-1090  
United States

Chris Barnard

26 October 2010

**-File No. S7-14-10**  
**-Concept Release on the U.S. Proxy System**

Dear Sir.

Thank you for giving us the opportunity to comment on your Concept Release on the U.S. Proxy System.

The proxy system should ensure a level playing field between all participants, and minimise any conflicts of interest. I fully support your aims of promoting greater efficiency and transparency in the system, and enhancing the integrity of the shareholder vote. I also support your proposals in principle, but I would like to make the following additional comments.

Over- and under-voting

It would be helpful to investors if broker-dealers were required to publicly disclose the allocation and reconciliation methods used by firms during each proxy season. Participants would also benefit from having additional data regarding over- and under-voting. This would help determine if further regulatory action should be considered.

Vote confirmation

It is clearly beneficial that owners should be able to confirm that votes cast have been received and recorded properly, and issuers should be able to confirm that votes received properly reflect the votes of owners. This will improve transparency and confidence in the proxy system generally. Furthermore, any errors made by proxy advisory firms should be publicly disclosed as soon as practicable.

Proxy distribution fees

SROs should as a minimum review their fee schedules. In fact I would stop regulated fees, open the market to competition and let market forces determine the appropriate fee schedules.

Issuer communications with shareholders

I prefer the second suggestion for an “annual NOBO” system. This strikes the right balance between facilitating communication from the issuer to shareholders, and protecting the rights of investors.

Enhancing brokers' internet platforms

This is clearly a good idea. I am surprised this is not more prevalent now anyway.

Advanced voting instructions

This will almost certainly increase investor participation in the voting process. I would further recommend that voting instructions should be re-affirmed on an annual basis. I also do not think that there is a problem with investors making uninformed decisions: on the contrary, it is a democratic right to vote as one sees fit.

Investor-to-investor communications

I recommend that you do not spend more resources in this area.

Data tagging proxy-related materials

I recommend that the SEC should fully research the benefits and costs of doing this.

Proxy advisory firms

Proxy advisory firms should disclose all material conflicts of interest. To the extent that they do not always do this, then you should provide additional guidance about this, and more specific disclosure requirements.

Dual record dates

I support the principle that the voting record date should be as close as is practically possible to the meeting date.

Empty voting

Empty voting should be prohibited. Voters should be required to certify that they hold the full economic interest in the shares being voted, with punitive fines for misuse.

Yours faithfully

Chris Barnard