

**MARYKNOLL SISTERS OF ST. DOMINIC, INC.
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January 17, 2020

Vanessa A. Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Via email rule-comments@sec.gov

Re: S7-23-19 Procedural Requirements and Resubmission Thresholds under Exchange Act
Rule 14a-8
S7-22-19 Amendments to Exemptions from the Proxy Rules for Proxy Voting Advice

Dear Ms. Countryman,

On behalf of the Maryknoll Sisters of St. Dominic, Inc., I write in strong opposition to the rules proposed by the Securities and Exchange Commission (SEC) on November 5th, 2019, which will severely limit the rights of shareholders to engage with corporations using the shareholder resolution process over issues with a distinct impact on long-term value.

The Maryknoll Sisters are a Catholic missionary organization with approximately 400 sisters serving in over 24 places around the world countries. Maryknoll Sisters give witness to God's love as nurses, doctors, teachers, social workers, environmentalists, pastoral workers and more.

The Maryknoll Sisters' investment guidelines state: "The Congregation will use its role of shareholder to foster positive change in company policies and practices". The proxy process is critical to our role as shareholder, and we believe that the process has enabled positive change. We believe that the proposed rules are unnecessary, will undermine a corporate engagement

process that has been of great value to both companies and investors, and make companies far less accountable to shareholders, stakeholders, and the public at large.

The proposed increase in ownership thresholds will make it difficult for smaller investors to voice important concerns and raise issues of risk to the companies they own. The proposed increase in resubmission thresholds threatens to unnecessarily exclude important proposals that gain traction over time and will ultimately stifle key reforms. There are many examples through the years of resolutions that initially received low votes, but went on either to receive significant support or lead to productive engagement with companies.

One example is found in pharmaceutical companies' approach to the global HIV/AIDS pandemic. In 1999, a number of pharmaceutical companies sued South Africa, a country deeply impacted by HIV/AIDS, in order to prevent South Africa from importing generic AIDS drugs and other medicines. A settlement was reached in 2001, but not before the reputation of these companies was damaged. The Maryknoll Sisters along with other faith-based investors sent letters to US-based pharmaceutical companies, such as Merck, asking for a 'robust, transparent response to the pandemic.' When letters did not result in a satisfactory response, we filed a shareholder proposal at Merck for the 2004 proxy season, and again in 2005, that requested the "Board review the economic effects of the HIV/AIDS, tuberculosis and malaria pandemics on the company's business strategy, and its initiatives to date, and report to shareholders within six (6) months following the 2005 annual meeting. This report, developed at reasonable costs and omitting proprietary information, will identify the impacts of these pandemics on the company." We filed these proposals because we sought assurance that the company had fully considered the risks and opportunities it faced in relation to the public health crisis in emerging markets, and that it had effective policies and processes in place for dealing with the challenges." Our 2005 proposal quoted a 2004 World Economic Forum report, which concluded, "firms are not particularly active in combating HIV/AIDS" and "businesses appear to be making decisions based on a patchy assessment of the risks they face."

The proposal received a 13.67% vote in 2004, and 8.77% in 2005. While these vote results might not be deemed successful, they did lead to a productive engagement with the company,

which contributed to Merck's improving its disclosure greatly by the time it issued its 2007 Corporate Social Responsibility Report. For example, Merck began disclosing where, by country, its HIV medicines were registered – a significant piece of information to demonstrate efforts to increase access to its medicines.

Please note that if the SEC's newly proposed ownership and vote thresholds had been in effect in the mid-2000s, the Sisters would not have been able to bring the proposals to the company – proposals that led to positive change. Imagine the significant loss of lives in our world, and also the cost to the global economy, if the pharmaceutical companies had not worked to increase access to needed HIV medicines!

In proposing these new thresholds, did the SEC conduct a study of any difference between the impact of smaller shareholders' proposals on either voting outcomes or company changes in policies and practices and the impact of larger shareholder proposals? Did the SEC conduct a study of the number of times shareholder proposals that initially received low votes resulted in companies eventually responding positively to proposals through increased disclosure?

We also wish to comment on the proposed amendment to Rule 14a-8(b) requiring each shareholder proponent to state that she or he is able to meet with the company in person or via teleconference no less than 10 calendar days, nor more than 30 days, after submission of the shareholder proposal. What is the evidence behind the SEC's belief that this amendment would enable dialogue? It strikes us as arbitrary, unworkable and burdensome to both shareholders and companies. First of all, the filing letters we have sent to companies state that we look forward to product dialogue, at their earliest convenience. Would a shareholder have to submit specific dates and times to meet with the company? What happens if those dates/times are not convenient? What if several investors file the same proposal and all have different availability in their calendars? Second, from our experience, companies receiving proposals usually wait until after their filing deadline, and if they respond to our willingness to dialogue, we work with them to find a mutually agreeable meeting time. We believe this amendment is a form of micromanaging the relationship between a company and its investors that is not needed.

In conclusion, we believe that the shareholder proposals we file provide an opportunity for companies to improve disclosure of how they address social, environmental or governance risks and can lead to greater transparency, improved corporate reputations and even to their being places of employment that young people find more attractive. In other words, we, as long-term investors, see many benefits to the proxy process. We urge you not to restrict our shareholder rights.

Sincerely,

A handwritten signature in blue ink, appearing to read "S Darlene Jacobs". The signature is fluid and cursive, with the first letter of "S" being large and prominent.

Sister Darlene Jacobs, M.M.

Treasurer, Maryknoll Sisters of St. Dominic, Inc.