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January 27, 2020

Ms. Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street NE.,
Washington, DC 20549-1090

RE: SEC File No. S7-23-19; S7-22-19

Ms. Secretary,

Neuberger Berman, founded in 1939, is a private, independent, employee-owned investment manager. The firm and its affiliates manage equity, fixed income, quantitative and multi-asset class, private equity and hedge funds on behalf of institutions, advisors and individual investors globally. As an active manager we believe that a central pillar of successful long-term investing is understanding the issuers we invest in and their management teams. That is why we engage with executives and board members throughout the year, holding thousands of meetings annually. Those meetings covered business strategy and industry dynamics, as well as other material topics.

We write today to argue against the proposed changes to the shareholder proposal process under Securities Exchange Act Rule 14a-8 as well as the increased burden and potential threat to independence being considered with respect to proxy advisory firms.

Although at first glance, the thresholds set forth in the shareholder proposal process may appear low or outdated, we believe they are best viewed in the context of how the process serves to protect investors and enhance company value. We believe the potential costs pointed out by issuers are small compared to the high value of work by shareholder rights advocates who push companies towards more effective management of material risks. The fact that many proposals earn majority support, the history of early identification of many issues that become material issues, and the signal value to both companies and investors from the trends in support of those proposals, justify opposing the application of new burdens in the proxy process.

In our view the argument that changes are necessary to protect companies is flawed. Companies should bear only marginal costs as work related to engaging shareholders on their views should already be robustly implemented. We find the absence of meaningful engagement programs at some issuers more troubling than the evaluation of the brief,

precatory requests that already only make it to a shareholder vote if the requests are not deemed inadmissible by the SEC. In our experience, we see no particular obstacle to exploring subjects that rose to a level of a formal submission by shareholders, who bear their own costs. If costs are the issue, we are more concerned about companies spending funds to 'fight' shareholder proposals from appearing on the ballot than permitting shareholders to opine through their vote. This expenditure by issuers seems to imply that companies believe that they are better positioned than shareholders to determine what subjects merit consideration.

We strongly believe minority shareholders deserve a voice, and that it is not only appropriate but advisable that companies balance perspectives from across their shareholder base. In our view, all shareholders are capable of bringing forward good ideas for all shareholders benefit. That is especially important when considering that small investors may collectively own more shares than institutional investors, and nearly always own more shares than management. Additionally, we strongly oppose any elements of ownership duration being a part of the process. While we are long-term investors, we think structures that provide an advantage to so called 'universal shareholders' are not only discriminatory but also impede the efficiency of price discovery and capital markets.

We believe that raising the costs and submission requirements seems unnecessary in the context of low (and declining) numbers of proposals submitted by fewer individuals. Shareholder resolutions constituted only 1.5% of proposals that we voted on last year and yet over half of them earned our support, making them among the most useful vehicles for the exercise of our fiduciary responsibility to our investors. We ask the SEC to permit the important discourse between companies and investors that originates out of topics raised through the shareholder proposal process, protect the right of all shareholders to bring forward ideas, and permit those who own shares to exercise their right as common equity shareholders to support or propose what they deem to be in their or their clients' best interests.

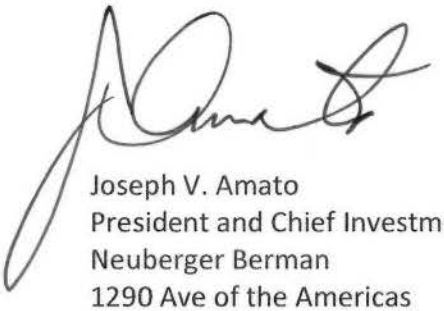
Additionally, as we alluded to in our previous submission to the SEC dated November 15, 2018, we oppose the kind of revision to the functioning of proxy advisory firms proposed here. We have concerns with elements of the guidance that create new requirements and introduce problematic interactions with issuers with respect to the production of proxy recommendation research reports. We worry that in an attempt to regulate perceived conflicts of interest, the new guidance creates a means through which those with the greatest incentive to obstruct potentially critical independent research from being produced can effectively do so.

We support the ability for issuers to have their information accurately represented in research but strongly believe this can easily be achieved through better, clearer disclosure in existing issuer documents, not through detailed proofreading of the work of an independent party. As shareholders, and in line with our views on the earlier points of this letter, we find it confusing that companies would spend time and money working to secure 'favorable' views of a third party that owns no shares instead of engaging in constructive dialogue with shareholders who cast the votes. We also question why services for which we pay are subject to review by those

who neither compensate anyone for those services nor have responsibility to diligence the product. We believe that the increased burden only harms our clients, who will bear higher costs in order to support an unnecessary appeal mechanism for companies to earn support.

Because the matters discussed here impact our ability to exercise effective fiduciary responsibilities, they should be put to an appropriately long and transparent analytical process, including a full economic analysis of the burdens to our clients, and a consideration of a landscape that has not only led to already declining numbers of shareholder proposals but also an effective duopoly in the proxy advisory space. If shareholder proposals and voting recommendations were so influential and lucrative, we would expect to see more parties making proposals and more competition on proxy analysis. We support a longer comment period and a healthy, continuing discourse, where we would gladly offer our views.

Yours sincerely,



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