ADDENDA CAPITAL

Vanessa A. Countryman
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

January 30, 2020

Re: File no. S7-23-19; File no. S7-22-19

Dear Ms. Countryman:

On behalf of Addenda Capital Inc., I welcome the opportunity to provide comments on "Proposed Rule on Procedural Requirements and Resubmission Thresholds under Exchange Act Rule 14a-8," File S7-23-19, and "Amendments to Exemptions from the Proxy Rules for Proxy Voting Advice," File S7-22-19.

Addenda Capital is a privately-owned investment management firm responsible for investing $24 billion USD in assets for pension funds, insurance companies, foundations, endowment funds and third-party mutual funds of major financial institutions. As a long-term investor who engages with companies on critical environmental, social, and governance (ESG) issues, Addenda Capital believes that the proposed rules are unnecessary, and will undermine a corporate engagement process that has been of great value to both companies and investors.

File S7-23-19: The current shareholder proposal process is reliable, fair and should not be reformed

The current shareholder proposal process under rule 14a-8 provides a reliable and transparent forum through which investors, large and small, can practice responsible ownership and work with companies to address ESG risks.

The existing thresholds for filing, holding duration, and refiling support a fair balance between weeding out vexatious issues and ensuring that shareholder concerns with potentially material consequences rise to the attention of boards and management in a timely manner. In spring 2019, 187 resolutions on social and environmental topics came to a vote at US companies. Many of these were filed by multiple investors with relatively small holdings each. The proposals received an average of 25.6% support. These numbers demonstrate that proposals of interest to a large portion of a company's shareholder base

may be raised by smaller individual and institutional investors.[1] Since 2010, 240 proposals have failed to meet the current refiling thresholds, under the new rule that number would jump to 614 including many proposals, which on subsequent filing received strong shareholder support.[2]

The existing shareholder proposals process helps companies to identify and manage ESG issues before they impact firm profitability and shareholder value. For example, proposals have been instrumental in establishing best practices of chair independence, proxy access, oversight of political contributions, diversity and nondiscrimination policies, and governance and oversight of climate impacts. Similarly, this structure assists investors like Addenda Capital to better understand and consider the concerns of other investors and the governance and management steps that the companies we hold are taking in response.

The increases to holding and vote thresholds for submission of shareholder proposals, among other alterations in the Proposed Rule, will harm the ability of shareholders to raise these issues with their investee companies and shareholder peers. Rather than raising issues through shareholder proposals which are transparent, forward-looking, and advisory in nature, shareholders may be forced to look to less-collaborative means to express their concerns, such as voting against directors, lawsuits, or seeking further additional regulations.

The current rule provides a well-established, well understood, and reasonably predictable vehicle for investor input, and is not in need of reform.

File S7-22-19: The provision of independent timely information for investors will be harmed by the proposed reforms

Proxy advisory firms help investors meet their proxy voting responsibilities by providing independent, efficient and cost-effective research services to inform vote decisions. For example, guided by the company's proxy voting policy, Addenda Capital's staff combines the research of proxy advisory firms with our own in-house research and any information provided by the company to determine each vote.

The proposed change to require that proxy firms insert a company review and comment

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[1] Sustainable Investments Institute, *Fact Sheet: Social & Environmental Shareholder Proposals at U.S. Companies*, Oct 2019, https://siinstitute.org/special_report.cgi?id=80

[2] S&P Global Market Intelligence, *SEC proposed rule would have blocked 614 ESG resolutions since 2010, data shows*, 6 Jan 2020, https://www.spglobal.com/marketintelligence/en/news-insights/trending/dgOXuoNlWkBNX2hmo3bHlg2

period before advice is provided to shareholders would limit the independence and reliability of this advice. In addition, this change would add further delay in the distribution of this research to investors, limiting the amount of time that investors have to review the research during the busy voting period. Addenda takes seriously its responsibility to vote proxies with diligence and integrity, in the best long-term interests of our clients and the ultimate beneficiaries. We are concerned that the proposed reforms will hamper our ability to fulfill this responsibility in the US market.

For the above reasons, we strongly urge the SEC to reconsider the proposed rule changes.

We appreciate the opportunity to share our views on this matter. For any questions or to discuss further please contact me.

Sincerely,

Delaney Greig
Direct, Sustainable Investing
[redacted]