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

18th November 2010

By e-mail

Re: File Number S7-31-10—Shareholder Approval of Executive Compensation and Golden Parachute Compensation

Dear Ms. Murphy,

I am writing on behalf of PGGM, a Dutch pension administrator and asset manager acting on behalf of - amongst others - *Pensioenfonds Zorg en Welzijn (PFZW)*, the Dutch pension fund for over two million employees and former employees in the healthcare and welfare sector and the third largest pension fund in Europe. PGGM currently has approximately EUR 100 billion of assets under management.

Acting on the belief that financial and social returns go largely hand in hand, PGGM sees it as its duty to incorporate responsible investment principles into its investment process, thereby helping to secure a high and stable return. PGGM attaches great importance to good corporate governance, environmental and social practices, and standards in these areas throughout all markets worldwide, and routinely engages issuers and regulators globally on these matters.

PGGM appreciates the opportunity to provide its views on the above referenced Proposal and encourages the Securities and Exchange Commission to continue its review of governance practices in the United States.

With kind regards,

Marcel Jeucken
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PGGM Comments on Securities and Exchange Commission Proposed Rule
Shareholder Approval of
Executive Compensation and Golden Parachute Compensation (S7-31-10)

1. **Should we include more specific requirements regarding the manner in which issuers should present the shareholder vote on executive compensation? For example, should we designate the specific language to be used and/or require issuers to frame the shareholder vote to approve executive compensation in the form of a resolution? If so, what specific language or form of resolution should be used?**

   We believe that the language should be consistent among issuers so as to limit confusion when shareholders vote these proposals, so yes, the SEC should designate the specific language to be used. We also feel that given the significance of compensation issues, the vote should take the form of a resolution.

   As shareholders are not intimately involved in the compensation discussions which occur at the board level, we feel that it is appropriate that the resolution be limited to permitting shareholders to indicate their approval or lack thereof on the disclosure contained in the Compensation Disclosure and Analysis ("CD&A").

2. **Would it be appropriate to exempt smaller reporting companies from the shareholder vote to approve executive compensation? Please explain the reasons why an exemption would, or would not, be appropriate. Would the proposed amendments be disproportionately burdensome for smaller reporting companies?**

   We do not feel that smaller reporting companies should be exempt from the shareholder vote to approve executive compensation. This vote is not burdensome on smaller issuers and provides valuable feedback where a mechanism for such feedback did not previously exist.

3. **Should we establish compliance dates to phase-in effectiveness of our proposed rules? Are there other transition issues that our rules should address?**

   Phase-in compliance dates are not necessary in our opinion – a hard deadline is all that is required. We foresee no challenges with adding a proposal to each annual ballot seeking approval for each issuers' executive compensation.

4. **Section 14A(a)(1), like Section 111(e) of the EESA, does not specify which shares are entitled to vote in the shareholder vote to approve executive compensation, nor does this section direct the Commission to adopt rules addressing this point. As in our implementation of EESA Section 111(e), we are not proposing to address this question in our rules. Should our rules implementing Section 14A(a)(1) address this question? If so, how, and on what basis?**

   We do not think that it is necessary to treat votes on shareholder compensation differently than on other general matters where shareholder votes are sought.

5. **Are there other disclosures that should be provided by issuers regarding the shareholder vote on executive compensation? If so, what kinds of disclosure would be useful to shareholders?**

   Other disclosures should include the results of previous votes and what changes were made in the compensation plans in response to the vote outcomes or other feedback from shareholders.

6. **Should we amend Item 402(b) to require disclosure of the consideration of the results**

of the shareholder advisory vote on executive compensation in CD&A as proposed? If not, please explain why not.

Yes, disclosure of the consideration of the results of previous shareholder advisory votes should be required.

7. **Should the requirement to discuss the issuer's consideration of the results of the shareholder vote be included in Item 402(b)(1) as a mandatory principles-based topic, as proposed, or should it be included in Item 402(b)(2) as a non-exclusive example of information that should be addressed, depending upon materiality under the individual facts and circumstances? In this regard, commentators should explain the reasons why they recommend either approach.**

   We believe it is appropriate to include the consideration of the results of the shareholder vote in Item 402(b)(1) as a mandatory principles-based topic. The reason for this is that the issuers are not required to act on shareholder views arising from this process given the advisory nature of the vote. Materiality is subjective and at this early stage of the process concerning Say on Pay in the U.S., any changes to compensation resulting from the shareholder vote should be disclosed.

8. **Should the proposed requirement for CD&A discussion of the issuer's consideration of previous shareholder advisory votes be revised to relate only to consideration of the most recent shareholder advisory votes?**

   No. We understand that compensation is a long-term and evolving process, and as a result, the CD&A discussion should include consideration of previous shareholder advisory votes so as to better explain the current compensation regime.

9. **For smaller reporting companies, should we instead require disclosure to address the consideration of previous shareholder advisory votes on executive compensation? Would such information be valuable outside the context of a complete CD&A? Would the existing requirements under Item 402(o) of Regulation S-K, pursuant to which smaller reporting companies must provide a narrative disclosure of any material factors necessary to an understanding of the information disclosed in the Summary Compensation Table, be sufficient information for investors in smaller reporting companies?**

   We believe that if shareholder feedback on compensation is provided through an advisory vote, consideration of this information should be disclosed.

10. **Should we include more specific requirements regarding the manner in which issuers should present the shareholder vote on the frequency of shareholder votes on executive compensation? For example, should we designate the specific language to be used and/or require issuers to frame the shareholder vote on the frequency of shareholder votes to approve executive compensation in the form of a resolution? If so, what specific language or form of resolution should be used?**

    Consistent with our answer to question one, we believe that the language should be consistent among issuers so as to limit confusion, so yes, the SEC should designate the specific language to be used. We also feel that given the significance of compensation issues, the vote should take the form of a resolution.

11. **Should a new issuer be permitted to disclose the frequency of its say-on-pay votes in the registration statement for its initial public offering and be exempted from conducting say-on-pay and frequency votes until the year disclosed? For example, if**

an issuer discloses in its initial public offering prospectus that it will conduct a say-on-pay vote every two years, should we exempt it from the requirements of Section 14A(a)(1) and 14A(a)(2) for its first annual meeting as a reporting company?

No – it is the right of shareholders to determine the frequency of the vote and they should be permitted this right in the form of a resolution at the first annual meeting of the issuer.

12. **Section 14A(a)(2) does not specify which shares are entitled to vote in the shareholder vote on the frequency of the shareholder vote to approve executive compensation, nor does this section direct the Commission to adopt rules addressing this point. We are not proposing to address this question in our rules, but should our rules implementing Section 14A(a)(2) address this question? If so, how, and on what basis?**

    Consistent with our answer to question four, we do not think that it is necessary to treat votes on shareholder compensation differently than on other general matters where shareholder votes are sought.

13. **Should we require disclosure about the general effect of this shareholder advisory vote? Is such disclosure useful to shareholders?**

    Yes, and it would be useful.

14. **Are there other disclosures that should be provided by issuers regarding the shareholder vote on the frequency of say-on-pay votes? If so, what kinds of disclosure would be useful to shareholders?**

    Any changes to the frequency of say-on-pay votes resulting from shareholder votes would be useful information.

15. **Will the four choices available to shareholders for the frequency of shareholder votes on executive compensation be sufficiently clear?**

    Yes.

16. **Will issuers, brokers, transfer agents, and data processing firms be able to accommodate four choices (i.e., 1, 2, or 3 years, or abstain) for a single line item on a proxy card? What technical or processing difficulties do such a change to the proxy card present? If there are technical or processing difficulties, are there practical ways to mitigate them?**

    No comment.

17. **Is it necessary or appropriate to prescribe a standard, such as a plurality, as proposed, for resolving whether issuers have substantially implemented the shareholders' vote on the frequency of the vote on executive compensation for purposes of Rule 14a-8? Is a standard other than plurality appropriate? Should the standard vary if the company's capital structure includes multiple classes of voting stock (e.g., where classes elect different subsets of the board of directors)?**

    It is not necessary to prescribe a standard different than what is currently proposed.

    If the capital structure includes multiple classes of voting shares, the standard need not vary, however disclosure of results by class would be informative for shareholders.

18. **Is the proposed amendment to Rule 14a-8(i)(10) appropriate? Should we, as proposed, allow the exclusion of shareholder proposals that propose say-on-pay**

votes with substantially the same scope as the votes required by Rule 14a-21(a)? If not, please explain why not.

The proposed amendment to Rule 14a-8(i)(10) is appropriate.

19. **Should we, as proposed, permit the exclusion of shareholder proposals that seek to provide say-on-pay votes more or less regularly than the frequency endorsed by a plurality of votes cast in the most recent vote required under Rule 14a-21(b), as described above? Are there other circumstances under which shareholder proposals relating to the frequency of say-on-pay votes should be considered substantially implemented and subject to exclusion under Rule 14a8(i)(10)?**

Where there have been significant or material changes to the compensation program in the period in between shareholder votes on compensation, shareholders should have an opportunity to put forward a shareholder proposals seeking to have a say-on-pay vote during the intervening period when such a vote would otherwise occur.

20. **Should we amend Rule 14a-8(i)(10) to address other specific factual scenarios that are likely to occur as a result of the implementation of Section 951 and our related rules? Are there other specific facts and circumstances under which Rule 14a-8(i)(10) should permit or prohibit the exclusion of shareholder proposals that seek say-on-pay votes?**

See our response to question nineteen above.

21. **Should the proposed note to Rule 14a-8(i)(10) be available if the issuer has materially changed its compensation program in the time period since the most recent say-on-pay vote required by Section 14A(a)(1) and Rule 14a-21(a) or the most recent frequency vote required by Section 14A(a)(2) and Rule 14a-21(b)?**

No.

22. **Should we require, as proposed, disclosure in a Form 10-Q or Form 10-K regarding the issuer's plans with respect to the frequency of its shareholder votes to approve executive compensation? Would this disclosure be useful for investors?**

Yes to both questions.

23. **Would the proposed Form 10-Q or Form 10-K disclosure notify shareholders on a timely basis of the issuer's determination regarding the frequency of the say-on-pay vote? Should this disclosure instead be included in the Form 8-K reporting the voting results otherwise required to be filed within four business days after the end of the shareholder meeting, or in a separate Form 8-K required to be filed within four business days of when an issuer determines how frequently it will conduct shareholder votes on executive compensation in light of the results of the shareholder vote on frequency?**

It is appropriate to treat voting results consistently, and in the case of the issuer's determination regarding the frequency of the say-on-pay vote, this should be disclosed in the Form 8-K in which the issuer discloses the actual voting results from the general meeting. We see no need for the issuer's determination regarding frequency of these votes to be different than the outcome of the meeting or to be reported elsewhere than where the voting results themselves are disclosed.

24. **Would the amendments to Form 10-Q and 10-K, as proposed, allow an issuer sufficient time to analyze the results of the shareholder votes on the frequency of shareholder votes on executive compensation and reach a conclusion on how it should respond?**

Should the issuer's plans with respect to the frequency of such shareholder votes instead be required to be disclosed no later than in the Form 10Q or Form 10-K for the next full time period ended subsequent to the vote (for example, if the vote occurs in the second quarter of the issuer's fiscal year, the disclosure would be required no later than in the Form 10-Q for the third quarter)?

See our response to question twenty-three above. We do not believe that issuers require additional time to respond to or interpret instructions from their shareholders in this instance.

25. **Under the proposed rules, the shareholder vote on the frequency of the say-on-pay vote would not bind the issuer or board of directors of the issuer. Are there other ways to provide for a vote "to determine" the frequency of the say-on-pay resolution that are consistent with the Section 14A(c) rule of construction that the vote "shall not be binding"?**

    We do not believe so.

26. **Should we amend Rule 14a-6(a) under the Exchange Act as proposed so that issuers are not required to file a preliminary proxy statement as a consequence of providing a separate shareholder vote on executive compensation in accordance with Rule 14a-21(a)? If not, please explain why not.**

    Yes.

27. **Should we amend Rule 14a-6(a) under the Exchange Act as proposed so that issuers are not required to file a preliminary proxy statement as a consequence of providing a separate shareholder vote on the frequency of shareholder votes on executive compensation in accordance with Rule 14a-21(b)? If not, please explain why not.**

    Yes.

28. **Should we amend Rule 14a-6(a) under the Exchange Act so that issuers are not required to file a preliminary proxy statement as a consequence of providing any other separate shareholder vote on executive compensation? If so, please explain in what circumstances.**

    We agree that issuers should not be required to file a preliminary proxy statement.

29. **Should issuers who have outstanding indebtedness under the TARP be required to conduct a shareholder advisory vote under Rule 14a-21(a) for the first annual meeting after the issuer has repaid all outstanding indebtedness under the TARP? Should we amend Rule 14a-20 to reflect this requirement?**

    Yes.

30. **Should issuers who have outstanding indebtedness under the TARP satisfy Rule 14a-21(a) when such issuers conduct a shareholder advisory vote to approve executive compensation pursuant to Rule 14a-20? Should we reflect this position in Rule 14a-21(a)?**

    Yes.

31. **Should issuers who have outstanding indebtedness under the TARP be exempted, as proposed, from the requirement to conduct a shareholder advisory vote under Section 14A(a)(2) and Rule 14a-21(b) until the first annual meeting after the issuer has repaid all outstanding indebtedness under the TARP? Is our proposed approach consistent**

with the purposes of Section 951 of the Act? Instead, should issuers who have outstanding indebtedness under the TARP be required to provide the shareholder vote on frequency at a time when they are still required to provide an annual vote under EESA? Should such an issuer be permitted, at its discretion, to conduct a shareholder advisory vote on frequency while it has outstanding indebtedness under the TARP and, if such vote is held, not be required to conduct such a vote at its first annual meeting after it has repaid all outstanding indebtedness under the TARP?

Yes, TARP issuers should be exempted from the requirement to conduct a shareholder advisory vote under Section 14A(a)(2) and Rule 14a-21(b) outstanding indebtedness under the TARP.

TARP issuers should not be required to provide a shareholder vote on frequency when they are still required to provide such a vote on an annual basis. Frequency of the say-on-pay vote should not be anything but annual for TARP issuers who have not repaid their indebtedness.

32. **Should Item 402(t) disclosure be required only in the context of an extraordinary transaction, as proposed? Should we extend the Item 402(t) disclosure requirement to annual meeting proxy statements generally, or in annual meeting proxy statements in which the shareholder advisory vote required by Section 14A(a)(1) is solicited? Would this disclosure be useful in annual meeting proxy statements in the absence of an actual transaction, or are the existing compensation disclosure requirements applicable to annual meeting proxy statements sufficient? Should we amend Item 402(j) to cover the matters required by Section 14A(b)(1) that are not otherwise required by that Item, rather than adopt proposed Item 402(t)?**

Item 402(t) disclosure should be required only in the context of an extraordinary transaction. It is our opinion that this disclosure would not be useful in annual meeting proxy statements in the absence of a transaction as existing compensation disclosure requirements provide sufficient disclosure.

33. **As proposed, Item 402(t) would require disclosure of all golden parachute compensation relating to the merger among the target and acquiring companies and the named executive officers of each in order to cover the full scope of golden parachute compensation applicable to the transaction. Would it be potentially confusing to require disclosure under Item 402(t) that relates to golden parachute compensation of a broader group of individuals than required by Section 14A(b)(1)?**

Disclosure under Item 402(t) of golden parachute compensation of a broader group of individuals other than the named executive officers may be too cumbersome on an individual-by-individual basis. Instead, an aggregate compensation figure with an accompanying discussion of the number of individuals included would be sufficient.

34. **Does proposed Item 402(t) tabular disclosure capture "any type of compensation (whether present, deferred, or contingent) that is based on or otherwise relates to" the transaction? Will proposed Item 402(t) elicit disclosure of all elements of golden parachute compensation that may be paid or become payable and the aggregate total thereof "in a clear and simple form"? If not, what specific revisions are necessary to accomplish these objectives?**

We believe so.

35. **Should we also require tabular disclosure of previously vested equity and pension benefits and require the total amount to include those amounts? For example, should the value of vested pension and nonqualified deferred compensation be presented so**

that shareholders may easily compare that value to the value of any enhancements attributable to the change-in-control transaction? Similarly, should the value of previously vested restricted stock and the in-the-money value of previously vested options be presented so that shareholders can compare these amounts to the value of awards for which vesting would be accelerated? Would inclusion of these amounts in the total overstate the amount of compensation payable as a result of the transaction?

Vested equity and pension benefits are relevant to assessing compensation as a whole, and should be presented to shareholders so that they may make an assessment of aggregate pay. However, awards that have already vested are not directly related to the transaction and as such, should not be included in such a way as to be confusing when assessing pay that is accelerated as a result of the transaction.

36. **In the table, will the proposed footnote identification of amounts of single-trigger and double-trigger compensation elements effectively highlight amounts payable on each basis? If not, should these elements be highlighted by disclosing them in separate columns, or by some other means? Is this information useful to investors?**

    The proposed footnote identification is sufficient, and it is useful to investors.

37. **Are there any elements captured by the "Other" column that should be presented separately, or in a different manner? If so, please explain why and how.**

    No.

38. **Should employment agreements that named executive officers of the target issuer enter into with the acquiring issuer for services to be performed in the future be excluded from the table, as proposed? Are such agreements used to induce target executives to support the transaction? Should such employment agreements instead be required to be quantified and included in the table? If such agreements should be quantified, should they be quantified separately, such as in a separate table, or is there a better way to present such agreements? If quantification is appropriate, should we specify how employment agreements should be quantified, for example by requiring a reasonable estimate applicable to the payment or benefit and disclosure of material assumptions underlying such estimates, or a valuation based on projected first year annual compensation, or average annual basis, or a present value for this compensation? If so, please explain.**

    Employment agreements for named executive officers of the target issuer entered into with the acquiring issuer should be excluded from the table as proposed, but should be included in separately.

    We believe that an additional item to be included in the table is special incentives paid to executives to retain them for the purpose of completing the transaction as this information is helpful in assessing the total cost of compensation related to the transaction, and alignment of interests.

39. **In proxy statements soliciting shareholder approval of a merger or similar transaction, we are proposing that the tabular quantification of dollar amounts based on issuer stock price be based on the closing price per share as of the latest practicable date. Is this measurement date appropriate? Would a different measurement, such as the average closing price over the first five business days following the public announcement of the transaction, more accurately reflect the amounts payable to the named executive officers in connection with the transaction? If so, explain why.**

The average closing price over the first five business days following the public announcement seems like a figure that is much less prone to potential gaming than the latest practicable date.

40. The proposed narrative disclosure would explain by whom payments would be provided. Are any additional instructions needed to provide clarity with respect to the tabular disclosure in circumstances where separate payments would be made by the target issuer and the acquiring issuer? Should a separate table be required where golden parachute compensation is payable to named executive officers of the acquiring issuer, as well as named executive officers of the target issuer?

A separate table would be helpful.

41. Will the proposed narrative disclosure adequately describe the conditions upon which the golden parachute compensation may be paid or become payable to or on behalf of each named executive officer? What, if any, additional disclosure is needed to accomplish this objective? What, if any, disclosure that we have proposed to require is not necessary to accomplish this objective? Explain why.

We believe that the proposed format of disclosure is sufficient.

42. Are there other items of narrative disclosure that would be useful for investors? For example, should we require issuers to describe the basis for selecting each form of payment and to describe why it chose the various forms of compensation?

The additional disclosure would be helpful.

43. As proposed, many of the table's columns would report more than one element of golden parachute compensation, with footnote quantification of the individual elements. Would it facilitate investor understanding to present in separate columns any of those individual elements, such as the different components of cash severance? If so, explain which elements and why. Would additional columns make the table too complex?

We believe that additional columns would make the table too complex and that footnote explanations would be sufficient.

44. As proposed, issuers would not have to provide Item 402(t) information with respect to individuals who would have been among the most highly compensated executive officers but for the fact that they were not serving as an executive officer at the end of the last completed fiscal year. Should Item 402(t) information be required if such individuals remain employed by the issuer at the time of the proxy solicitation? If so, explain why. Also, as proposed, issuers would have to provide Item 402(t) information with respect to all individuals who served as the principal executive officer or principal financial officer of the issuer during the last completed fiscal year or who were among the issuer's other most highly compensated executive officers at the end of that year, even if such persons are no longer employed by the issuer at the time of the proxy solicitation. Would Item 402(t) disclosure with respect to such an individual serve a useful purpose or should we exclude former employees from the disclosure requirement?

We believe this information is appropriate to exclude provided the compensation is not related to the transaction.

45. Should we require Item 402(t) disclosure, as proposed, in transactions not specifically referenced in the Act? Is this disclosure necessary to minimize potential regulatory

arbitrage? If not, please explain why not.

Yes, it seems the principle for disclosure is the same.

46. **Are there any impediments to providing this disclosure in such transactions? If so, please explain.**

    There are no impediments that we can think of.

47. **Are the proposed exceptions from the Item 402(t) disclosure requirements for bidders and target companies in third-party tender offers and filing persons in Rule 13e-3 going-private transactions where the target or subject company is a foreign private issuer appropriate? Is the proposed exception from the Item 402(t) disclosure obligation with respect to agreements or understandings with senior management of foreign private issuers appropriate? If not, why not? Are any other exceptions for transactions involving foreign private issuers necessary?**

    Yes, the proposed exception is appropriate.

48. **If golden parachute arrangements have been modified or amended subsequent to being subject to the annual shareholder vote under Rule 14a-21(a), should we require the merger proxy separate shareholder vote to cover the entire set of golden parachute arrangements or should we, as proposed, require a separate vote only as to the changes to such arrangements? For example, if a new arrangement is added, would the Section 14A(b)(2) shareholder advisory vote be meaningful if shareholders do not have the opportunity to express their approval or disapproval of the full complement of compensation that would be payable?**

    It would be appropriate to require a separate vote if the terms of any arrangement are altered in any material way or if a new arrangement is added, but a vote of the entire set of golden parachute arrangements would not be required so long as the disclosure of the amendments indicates their impact on the arrangement as a whole.

49. **Should we exempt certain changes to golden parachute arrangements that have been altered or amended subsequent to their being subject to the annual shareholder vote under Rule 14a-21(a)? For example, should we require a separate vote under Rule 14a-21(c) if the only change is the addition of a new named executive officer not included in the prior disclosure or a change in terms that would reduce the amounts payable? Should we provide an exemption for golden parachute arrangements previously subject to an annual shareholder vote if the only change is the subsequent grant, in the ordinary course, of additional awards under an employee benefit plan, such as stock options or restricted stock, that are subject to the same acceleration terms that applied to those already covered by the previous vote? For example, if subsequent to the previous vote, additional equity awards are granted in the ordinary course pursuant to a plan, such as an annual option grant, and those awards are subject to acceleration in the event of a change in control on the same terms as earlier awards that were subject to the previous vote, should we exempt those subsequent awards? Should any other types of changes to golden parachute compensation arrangements be so exempted?**

    Amendments to golden parachute arrangements can have potentially significant impacts and we are wary of providing exemptions for such amendments in which unintended consequences may result.

50. **Where an issuer voluntarily includes Item 402(t) disclosure in an annual meeting proxy**

statement to satisfy the exception from the Section 14A(b)(2) shareholder vote, should all Item 402(t) disclosure be required to be presented in one section of the document, without cross references, to facilitate shareholder understanding? If not, why not? Does proposed Instruction 6 to Item 402(t)(2) assure certainty and predictability regarding the availability of this exception? If not, what additional instructions are needed?

Yes, it is appropriate to provide these disclosures together in one section of the document.

51. **Section 14A(b)(2) does not specify which shares are entitled to vote in the shareholder vote to approve the agreements or understandings and compensation specified in Section 14A(b)(1), nor does this section direct the Commission to adopt rules addressing this point. We are not proposing to address this question in our rules, but should our rules implementing Section 14A(b)(2) address this question? If so, how, and on what basis?**

    Consistent with our answers to question four and twelve, we do not think that it is necessary to treat votes on shareholder compensation differently than on other general matters where shareholder votes are sought.

52. **Should we fully, partially, or conditionally exempt smaller reporting companies or some other category of smaller companies from some or all of the requirements of Section 14A? Are the provisions of Section 14A unduly burdensome on small companies and if so, how are they unduly burdensome?**

    We do not believe that the proposed rules are unduly burdensome on small issuers.

53. **Should we fully, partially, or conditionally exempt smaller reporting companies or some other category of smaller companies from any or all of our proposed rules? If so, which ones? Are any of our proposed rules unduly burdensome to smaller reporting companies and if so, how are they unduly burdensome?**

    The SEC should not exempt small issuers from the proposed rules.

54. **Are the golden parachute arrangements of smaller reporting companies relatively simple and straightforward compared to those of larger issuers? Would the disclosure of such arrangements required by proposed Item 402(t) impose an undue burden on smaller reporting companies?**

    No.

55. **Should we clarify in an instruction to Rule 14a-21, as proposed, that smaller reporting companies are not required to include a CD&A in their proxy statements in order to comply with our proposed amendments?**

    Yes.

56. **Are there any other steps that we should take to reduce the burden on smaller reporting companies?**

    No.