



April 23, 2018

Mr. Brent J. Fields, Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

File Number SR-IEX-2018-06
Via email: rule-comments@sec.gov

Re: Investor's Exchange LLC rule change establishing *LTSE Listings on IEX* (Release No. 34-82948; File No. SR-IEX-2018-06)

Glass Lewis is a leading provider of global governance services, helping institutional investors understand and connect with the companies in which they invest through our independent research, proxy vote management platform and engagement support services. We are a trusted ally of more than 1,300 investors globally, who collectively manage more than \$35 trillion in assets.

Our research analysts cover more than 20,000 listed companies, reaching out to more than half of those companies every year and engaging directly with the boards and executives at approximately 2,500 companies on an annual basis. Indeed, since our founding in 2003, Glass Lewis has been actively engaged with regulators, investors, issuers and other stakeholders across the globe as part of our commitment to having a deep understanding of the context of markets, their participants and the evolution and innovations across corporate governance practices.

In short, we believe it is important that companies have:

- **Transparency, integrity and context in reporting and disclosure.** Ensuring the integrity and transparency of financial information is a necessity for protecting shareholder value. Furthermore, providing cogent explanations and rationales for decisions made by the board and management, particularly those outside of standard practice (i.e. if not, why not) or regarding long-term strategy, is critical to equipping investors with sufficient context to make well informed and pragmatic decisions.
- **Boards of directors that serve the long-term interests of shareholders.** Governance structures should ensure the alignment of the board with corporate strategy and long-term shareholder interests to drive performance, create long-term shareholder value and maintain a proper tone at the top.



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- **Appropriate alignment between compensation and performance.** Properly designed executive remuneration programs should align management with the execution of the long-term strategy of the business by incentivizing behaviors that focus on long-term, sustainable corporate value creation, rather than rewarding short-termism.
- **Recognition of environmental, social and governance priorities.** Transparency across ESG risks and opportunities is increasingly valuable to our clients who use this to analyze and engage with the companies in which they invest. This includes more detailed disclosure around human capital, R&D expenditure and long-term strategic thinking and performance.
- **One share, one vote.** Dual-class voting structures are generally not in the best interests of common shareholders; this includes any equity structures providing unequal voting rights, regardless of the number of share classes issued. Skewing the alignment between ownership and voting rights presents agency risks, observed in both domestic and international markets.

The rules proposed for *LTSE Listings on IEX* focus innovation in these categories. Apart from the rules concerning long-term shareholder voting structures, which we acknowledge might be preferable to some investors compared to other available unequal voting structures, we are generally supportive of the creation of *LTSE Listings on IEX* as a differentiated listings option focused on innovative solutions for delivering long-term shareholder value.

Please do not hesitate to contact me with respect to any questions on the content of this letter.

Yours sincerely,

Aaron Bertinetti
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Glass, Lewis & Co., LLC