



Hermes Equity
Ownership Services Limited
1 Portsoken Street
London E1 8HZ
United Kingdom

Tel: +44 (0)20 7702 0888
Fax: +44 (0)20 7702 9452

www.hermes-investment.com

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

By email to rule-comments@sec.gov

23 December 2016

Dear Mr Fields

File no S7-24-16 Proposed universal proxy rule

By way of background, Hermes is one of the largest asset managers in the City of London, and is wholly owned by the BTPS, one of the UK's largest corporate pension schemes. As part of our Equity Ownership Service (Hermes EOS), we also respond to consultations on behalf of many clients from around Europe and the world, including PNO Media (The Netherlands) and VicSuper (Australia). In all, Hermes advises over 40 clients with regard to assets worth a total of over \$307.6 billion as at 30 September 2016.

We are writing to express our support for the proposed rulemaking. As a representative of long-term institutional investors for which it is practically impossible to attend even a fraction of the shareholder meetings of companies within their investment portfolios we believe that such a rule change will enhance their rights as shareholders and is therefore to be welcomed. We see the ability to vote for the directors of their choice as a fundamental right of all shareholders.

While it is impossible to predict in advance whether such a rule change will result in fewer or more proxy contests, we do believe that our clients will have the ability to exercise their votes in such cases in a more nuanced way. We make recommendations to many of our clients on voting matters. Our experience is that we would often, possibly usually, prefer to recommend votes for candidates from both the board's and the dissident's slates. This opportunity is currently denied in practice to our clients.

We would further add that such a voting outcome might be less disruptive than the current situation which encourages all or nothing outcomes and a transactional rather than relational approach to governance both by the dissidents but as a result of the rules as they currently exist by the wider shareholder base as well. Intuitively, this feels like a sub-optimal outcome for all boards and investors.

While some of the detailed proposed rule changes are very technical in nature, we believe that the SEC has navigated the issue carefully and we agree with the SEC's proposals.

We look forward to the enactment of the proposed rules.

Yours sincerely

A handwritten signature in blue ink that reads "Tim Crocker".

Tim Goodman
Director

7