

February 4, 2019

The Honorable Jay Clayton
Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Chairman Clayton:

We, the undersigned publicly traded companies, want to thank you for conducting the Roundtable on the Proxy Process on November 15, 2018. The U.S. proxy process is critical to public company governance, and we appreciate the Commission's recognition that areas within the process need to be reformed.

These issues have real effects on the economy, job creation and global competitiveness. As many have communicated to the SEC in the past several years, these issues are part of a poorly-calibrated regulatory ecosystem that is producing fewer IPOs and driving many companies out of the public markets.

The proxy process is a key opportunity for companies to communicate with shareholders. A transparent, accurate and verifiable proxy system that is oriented toward long-term value creation is vital to constructive shareholder engagement and the successful operation of public companies. The Commission emphasized this point in the 2010 Concept Release on the U.S. Proxy System, which noted: "With 600 billion shares voted every year at more than 13,000 shareholder meetings, shareholders should be served by a well-functioning proxy system that promotes efficient and accurate voting."

The November 15th Roundtable provided for open discussion on several issues where reform is necessary for a more useful and efficient proxy system. As publicly traded companies, we urge the SEC to address the following critical items:

Proxy Advisory Firms: The SEC must take strong action to regulate proxy advisory firms to address three critical frustrations with their current operations:

- **Conflicts of Interest**: The SEC should adopt strong protections for both companies and users of proxy advisory services to ensure that conflicts of interest are eliminated where possible, minimized and/or mitigated where appropriate, and transparent to the users and subjects of reports. Conflicts should be disclosed on the front page of proxy advisor reports on companies so that investors make fully informed voting decisions.
- **Accuracy**: The SEC should require transparent processes and practices that allow ALL public companies, regardless of their market capitalization, to engage with proxy advisory firms on matters of mistakes, misstatements of fact and other significant disputes so that timely resolution of those disputes and corrections to the record can be made to minimize the negative impacts that such mistakes can have on the subject company's proxy voting outreach and its shareholders. Such policies and procedures are absolutely critical to any reforms considered by the SEC. Given the impact of the proxy advisory firms' decision-making and recommendations on the capital markets, and the large percentage of institutional voting that follows their recommendations, the ability to identify and correct errors is crucial for accuracy and accountability.

- **Transparency of proxy voting standards:** Proxy advisors currently play a critical role in the development of de facto market rules through their policies and recommendations. The SEC should require public transparency, including a formal public comment period, when a proxy advisory firm intends to change its voting policies from one proxy season to the next and ensure that companies have the ability to determine, on their own, whether they can satisfy those policies. Proxy advisory firms should not be allowed to significantly affect voting recommendations using opaque rules, which require paid services to interpret. Moreover, in the absence of transparent policies, neither the proxy advisory firms' clients, nor the companies they report on, can determine whether a policy is applied correctly or if a recommendation is based on factual errors.

Shareholder Proposals: The SEC should modernize the shareholder proposal process so that it reflects more reasonable standards for submission and resubmission of shareholder proposals and is oriented toward creating long-term value for all shareholders. Reasonable standards for resubmissions were previously proposed by the SEC in 1997, which would have required 6 percent support for the first resubmission, 15 percent for the second, and 30 percent for the third.

Shareholder Communications: The SEC should focus on streamlining shareholder communications to enable companies to directly and cost-effectively communicate with their shareholders. The Commission should repeal the distinction between objecting and non-objecting beneficial owners (OBOs and NOBOs), which inhibits the ability of companies to communicate with the majority of investors who are not registered shareholders.

Proxy Process: The SEC needs to update the proxy voting process to make voting more transparent and verifiable and to increase retail investor participation.

Maintaining a viable public company model is of the utmost importance for companies that need capital, but also for Main Street investors and the overall economy. Addressing these critical proxy process issues will make our capital markets stronger and improve the experience for public companies and benefit their long-term investors.

Sincerely,

Nasdaq, Inc.
Abraxas Petroleum Corporation
Achieve Life Sciences, Inc.
Aclaris Therapeutics, Inc.
Acorda Therapeutics, Inc.
Adial Pharmaceuticals, Inc.
Advanced Emissions Solutions, Inc.
Advanced Energy Industries, Inc.
Aemetis, Inc.
AgroFresh Solutions, Inc.
Air T, Inc.
Allegiant Travel Company
AMAG Pharmaceuticals, Inc.
Ambac Financial Group, Inc.

Ambarella, Inc.
American Outdoor Brands Corporation
ANGI Homeservices Inc.
Apogee Enterprises, Inc.
Apollo Endosurgery, Inc.
Approach Resources Inc.
Aquinox Pharmaceuticals, Inc.
ArcBest Corporation
Arch Capital Group Ltd.
Aridis Pharmaceuticals, Inc.
Artesian Resources Corporation
Arthur J. Gallagher & Company
Ascena Retail Group, Inc.
Aspen Technology, Inc.
Assembly Biosciences, Inc.
Atara Biotherapeutics Inc.
Athersys, Inc.
Atomera Incorporated
Attis Industries, Inc.
Automatic Data Processing, Inc. (ADP)
Avadel Pharmaceuticals Plc
Avid Bioservices, Inc.
Axon Enterprise, Inc.
Axonics Modulation Technologies, Inc.
Balchem Corporation
Biogen Inc.
BIO-key International, Inc.
BioMarin Pharmaceutical Inc.
Boingo Wireless, Inc.
Box
Boxlight Corporation
Brainstorm Cell Therapeutics Inc.
Brightcove Inc.
Bryn Mawr Bank Corporation
CaCanterbury Park Holding Corp
Cadiz Inc.
Caladrius Biosciences, Inc.
Calithera Biosciences, Inc.
Cardtronics plc
Career Education Corporation
Carrizo Oil & Gas, Inc.
Casella Waste Systems, Inc.
Century Communities
Charles & Colvard, Ltd.
Chart Industries, Inc.
Chefs' Warehouse, Inc.
Chevron Corp.
ChromaDex Corporation

Ciena Corporation
Cimpres N.V.
Cincinnati Financial Corporation
City Holding Company
Clean Energy Fuels Corp.
Cloud Peak Energy, Inc.
Colliers International Group Inc.
Colony Bankcorp, Inc.
CommVault Systems, Inc.
Computer Programs and Systems, Inc. (CPSI)
Conformis, Inc.
CONMED Corporation
Core-Mark Holding Company, Inc.
Core-Mark Holding Company, Inc.
Coupa Software, Inc.
Covenant Transportation Group, Inc.
Cowen Inc.
Criteo
Crocs, Inc.
Crown Crafts, Inc.
CSW Industrials, Inc.
CTI Industries Corporation
CUI Global, Inc.
CytomX Therapeutics, Inc.
Dael Victoria Reyes Trust
Data I/O Corporation
Denny's Corporation
Destination XL Group, Inc.
DiaMedica Therapeutics Inc.
Diodes Incorporated
Dixie Group, Inc.
Dollar Tree, Inc.
Domo, Inc.
Dynamic Signal
E.W. Scripps Company
Eagle Bancorp Montana, Inc.
Eagle Bancorp, Inc.
Ecolab Inc.
EdtechX Holdings Acquisition Corp
Encana Corporation
Endo International Plc
ENGlobal Corporation
Ensign Group, Inc.
Esperion Therapeutics, Inc.
Esquire Financial Holdings, Inc.
Euronet Worldwide, Inc.
EZCORP, Inc.
Finjan Holdings, Inc.

First Mid-Illinois Bancshares, Inc.
First Solar, Inc.
FirstCash, Inc.
Five Star Senior Living Inc.
Flexion Therapeutics, Inc.
Flushing Financial Corporation
FMC Corporation
FNCB Bancorp, Inc.
Franklin Templeton
Fuel Tech, Inc.
Full House Resorts, Inc.
Funko, Inc.
Gaia, Inc.
Gaming and Leisure Properties, Inc.
Genius Brands International, Inc.
Genocea Biosciences, Inc.
Geospace Technologies Corporation
Gilead Sciences, Inc.
Glacier Bancorp, Inc.
Global Blood Therapeutics, Inc.
Goosehead Insurance, Inc.
Government Properties Income Trust
Green Plains Inc.
Grindrod Shipping Holdings Ltd.
Hallador Energy Company
Hamilton Bancorp, Inc.
Healthcare Services Group, Inc.
Hennessy Advisors, Inc.
Hercules Capital, Inc.
Heritage Financial Corporation
Home Federal Savings Bank
HomeStreet, Inc.
Hooker Furniture Corporation
Hospitality Properties Trust
Howard Bancorp, Inc.
IAC
ICU Medical, Inc.
ImmunoGen, Inc.
Incyte Corporation
Independent Bank Group, Inc.
Industrial Logistics Properties Trust
Innospec Inc.
Inogen, Inc.
Inseego Corp.
Insteel Industries, Inc.
Internap Corporation
International Bancshares Corporation
Investors Bancorp, Inc.

Investors Title Company
Itron, Inc.
IZEA Worldwide, Inc.
Jack Henry & Associates, Inc.
Jack in the Box Inc.
Kforce Inc.
Kindred Biosciences, Inc.
Kinsale Capital Group, Inc.
Kirby Corporation
Kirkland's, Inc.
Lake City Bank
Lamar Advertising Company
Landmark Bancorp, Inc.
Lazydays Holdings, Inc.
LCNB Corp.
Liberty Global, Inc.
Lifetime Brands, Inc.
Lifeway Foods, Inc.
Live Ventures Incorporated
Lumentum Holdings, Inc.
Madrigal Pharmaceuticals, Inc.
Magyar Bancorp, Inc.
Manhattan Associates, Inc.
Marathon Petroleum Corp.
Marin Software, Inc.
Marrone Bio Innovations, Inc.
Marvell Semiconductor
Masimo Corporation
Maxim Integrated Products, Inc.
Medical Transcription Billing Corp. (MTBC)
Melrose Bancorp Inc.
Meta Financial Group, Inc.
Micron Technology, Inc.
Middlefield Banc Corp.
MidWestOne Financial Group, Inc.
Misonix, Inc.
MKS Instruments, Inc.
Monmouth Real Estate Investment Corporation
Monolithic Power Systems, Inc.
MyoKardia, Inc.
MYOS RENS Technology Inc.
NantKwest, Inc.
Nature's Sunshine Products, Inc.
NetScout Systems, Inc.
NI Holdings, Inc.
Novan, Inc.
NutriSystem, Inc.
Obalon Therapeutics, Inc.

Old Line Bancshares, Inc.
Old National Bancorp
OneSpan Inc.
OptiNose, Inc.
Oracle
Organovo Holdings, Inc.
Orthofix Medical, Inc.
Otter Tail Corporation
Overstock.com, Inc.
Oxbridge Re Holdings Limited
Pacific Premier Bancorp, Inc.
Pacira Pharmaceuticals, Inc.
PayPal Holdings Inc.
Penn National Gaming, Inc.
People's Utah Bancorp
Perma-Pipe International Holdings Inc.
Plexus Corp.
Pluralsight, Inc.
Pool Corporation
Power Integrations Inc.
PRA Group Inc.
Premier, Inc.
PriceSmart, Inc.
Principal Financial Group, Inc.
Principia Biopharma, Inc.
Profire Energy, Inc.
Progress Software Corporation
Proofpoint, Inc.
Prothena Corp. Plc
QIWI plc
QuinStreet, Inc.
Rambus Inc.
Real Goods Solar, Inc.
Red Rock Resorts, Inc.
Rimini Street, Inc.
Riverview Community Bank
Rocky Mountain Chocolate Factory, Inc.
Royal Gold, Inc.
Ryanair
Ryder System, Inc.
S&T Bancorp, Inc.
Salisbury Bancorp, Inc.
Seagate Technology PLC
Select Income REIT
Senior Housing Properties Trust
Shore Bancshares, Inc.
SI-BONE, Inc.
Sierra Oncology, Inc.

Signature Bank
Simmons First National Corporation
SINA Corp.
SINTX Technologies, Inc.
Spectrum Pharmaceuticals, Inc.
Splunk Inc.
Spok Holdings, Inc.
SSR Mining Inc.
STAAR Surgical Company
Star Bulk Carriers Corp.
Stein Mart, Inc.
Steven Madden, Ltd.
StoneCastle Financial Corp.
Strategic Education, Inc.
Streamline Health Solutions, Inc.
Sunesis Pharmaceuticals, Inc.
Sunrun Inc.
SurveyMonkey
Sutro Biopharma, Inc.
Sykes Enterprises, Incorporated
Symantec Corporation
Synaptics Incorporated
Tactile Systems Technology, Inc.
Tech Data Corporation
TechNet
Teligent, Inc.
Tenable Holdings, Inc.
Tenax Therapeutics, Inc.
Teradyne, Inc.
Territorial Bancorp Inc.
The Bancorp, Inc.
The Eastern Company
The First of Long Island Corporation
The Michaels Company, Inc.
The RMR Group Inc.
Tilray, Inc.
Tractor Supply Company
Transcat, Inc.
TravelCenters of America LLC
Tremont Mortgage Trust
TTM Technologies, Inc.
Union Bankshares Corporation
United Insurance Holdings Corp.
Urban Outfitters, Inc.
U.S. Chamber of Commerce
Utah Medical Products, Inc.
Verisk Analytics Inc.
Viking Therapeutics, Inc.

W. R. Berkley Corporation
Walgreens Boots Alliance, Inc.
Washington Federal, Inc.
Weibo Corp.
Werner Enterprises, Inc.
Westfield Bank
Willamette Valley Vineyards, Inc.
Willis Towers Watson Public Limited Company
Windstream Holdings, Inc.
WVS Financial Corp.
Wynn Resorts, Limited
Yum! Brands, Inc.
Zafgen, Inc.
Zagg Inc.
Zebra Technologies Corporation
Zions Bancorporation
Zynerba Pharmaceuticals Inc.