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18 October 2007

The Honourable Christopher Cox, Chairman
Securities & Exchange Commission

VIA Electronic Mail

Dear Chairman Cox:

We are writing further to the Report and Recommendations of the Proxy Working Group to the New York Stock Exchange dated June 5, 2006. Hermes Equity Ownership Services advises institutional investors on voting and engagement issues. Our clients include the British Telecom Pension Scheme, the British Coal Staff Superannuation Scheme, the BBC Pension Trust, Ireland's National Reserve Pension Fund, and Denmark's PKA. EOS has approximately \$120 billion assets under advice.

We support the recommendation to re-classify the election of directors as a non-routine item and therefore remove broker votes from the calculation. Given that many US issuers are moving towards majority voting standards for the election of directors, shareholder votes on this agenda item will become more important and continuing to count broker votes would only diminish the strides being made toward more effective corporate governance and the louder voice being granted to shareholders. As such, we ask the SEC to ratify the NYSE's recommendation and allow the amendment to take effect as soon as possible.

There appears to be widespread support for the proposal, and approving the NYSE's recommendation to allow it to come into effect as promptly as possible (as the rule is currently drafted) is not controversial. As such, we do not believe it necessary for the SEC to delay moving forward on the broker non-vote rule change.

Hermes understands the utility of continuing to count broker votes for the purpose of establishing a quorum for shareholder meetings in the interests of preventing undue costs to companies and, in turn, shareholders. We believe that this concern has been more than adequately addressed in the current version of the proposal.

As such, we submit that while the NYSE and the SEC commit to educating investors about voting as per the Working Group's recommendations, that that education should be extensive and not limited to director elections. We believe that all investors should behave responsibly and should be encouraged by market regulators to exercise their right to vote on all items at shareholder meetings. Ideally, broker votes should not have to be counted at all, for any items, even quorums.

Yours truly,

A handwritten signature in black ink that reads "Bess Joffe". The signature is written in a cursive, flowing style.

Bess Joffe
Manager

Cc Paul Atkins
Annette Nazareth
Kathleen Casey