

US/SIF

March 14, 2025

The Honorable Matt Meyer
Governor of Delaware
Tatnall Building
150 Martin Luther King, Jr. Boulevard South
Dover, Delaware 19901

CC: Members of the Delaware General Assembly

Subject: US Sustainable Investment Forum Feedback on Delaware Senate Bill 21

Dear Governor Meyer and Members of the Delaware General Assembly,

US SIF: The Sustainable Investment Forum writes to respectfully provide input on Delaware Senate Bill 21 (SB 21).

US SIF is a membership organization representing 180 investors and trillions of dollars of assets under management. Our members represent investors of all kinds- from asset managers managing billions in retirement dollars for average Americans to financial advisors and community development finance institutions supporting local economies.

Our members are invested in Delaware corporations and value the corporate structures that provide transparency and accountability to shareholders. The Delaware judiciary has a long history of balancing the interests of shareholders with those of directors and management. Investors carefully consider the investor protections in the states where their companies are incorporated and make investment decisions accordingly.

We encourage the final version of SB 21 to hold the following principles:

- Maintain a strong approval process for related-party transactions. It is essential to prevent a small group of individuals from securing private gains at the expense of the broader shareholder base. SB 21 should not further weaken the statute in a way that disadvantages minority investors during transactions involving directors, officers, and controlling shareholders.
- Maintain shareholders' ability to request corporate documents. It is important that shareholders have the ability to hold the corporations they own accountable for misconduct. The bill should not change shareholders' ability to request corporate documents.
- Maintain high standards to protect against conflicts of interest. It is critical that boards be held to a high standard when it comes to conflicts of interest so that shareholders can feel confident in their decision-making. The bill should not undermine the ability of shareholders to raise potential conflicts.

Delaware's reputation as an arbiter of balanced, measured case law on corporate governance makes the state attractive for investment. Thank you for considering our comments. Do not hesitate to let us know if we can be of further assistance. Our Director of Policy, Rachel Curley (rcurley@ussif.org), would be happy to answer any questions.

Sincerely,



Maria Lettini
CEO, US SIF