UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
CORPORATION FINANCE

July 15, 2019

Aaron Shepherd
The Procter & Gamble Company
shepherd.ab@pg.com

Re: The Procter & Gamble Company
Incoming letter dated May 24, 2019

Dear Mr. Shepherd:

This letter is in response to your correspondence dated May 24, 2019 concerning the shareholder proposal (the "Proposal") submitted to The Procter & Gamble Company (the "Company") by Walter O. Garcia, Maria Luisa Garcia and Gaby Garcia (the "Proponents") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. We also have received correspondence from the Proponents dated May 31, 2019. Copies of all of the correspondence on which this response is based will be made available on our website at http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

M. Hughes Bates
Special Counsel

Enclosure

cc: Walter O. Garcia
***

*** FISMA & OMB Memorandum M-07-16

July 15, 2019

Response of the Office of Chief Counsel
Division of Corporation Finance

Re: The Procter & Gamble Company
Incoming letter dated May 24, 2019

The Proposal requests that the Audit Committee not directly or indirectly engage, appoint or approve the engagement of Galaz, Yamazaki, Ruiz Urquiza, S.C. (Deloitte Mexico) to audit the 2020 financial statements of the Company's Mexican subsidiaries.

There appears to be some basis for your view that the Company may exclude the Proposal under rule 14a-8(i)(7). In our view, the Proposal seeks to micromanage the Company's selection of an audit firm to audit the Company's operations in a particular country. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on rule 14a-8(i)(7). In reaching this position, we have not found it necessary to address the alternative bases for omission upon which the Company relies.

Sincerely,

Kasey L. Robinson
Special Counsel

DIVISION OF CORPORATION FINANCE
INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the company in support of its intention to exclude the proposal from the company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes and rules administered by the Commission, including arguments as to whether or not activities proposed to be taken would violate the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversarial procedure.

It is important to note that the staff's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly, a discretionary determination not to recommend or take Commission enforcement action does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the company's management omit the proposal from the company's proxy materials.

May 31, 2019

Via Electronic Mail to **shareholderproposals@sec.gov**

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: The Procter & Gamble Company — Shareholder Proposal Submitted by Walter O. Garcia, Maria Luisa Garcia and Gaby Garcia.

Ladies and Gentlemen:

We ("Walter O. Garcia, Maria Luisa Garcia and Gaby M. Garcia") respectfully submit the following comments and observations and related documentation in response to the no action-request (the "Letter") dated May 24, 2019, submitted to your office by Mr. Aaron Shepherd, on behalf of The Procter & Gamble Company ("P&G", the "Company"), regarding our shareholder proposal (the "Proposal") submitted in accordance with Rule 14-8a under the Securities and Exchange Act of 1934 for inclusion in the proxy statement to be distributed by the Company in connection with its 2019 annual shareholders' meeting.

Pursuant to the guidance provided in Staff Legal Bulletin No. 14D (November 7, 2008), we are submitting this letter and related documentation to the Staff via email to *shareholderproposals@sec.gov* (in lieu of mailing paper copies). Copies of this letter and its attachments are provided concurrently to Mr. Shepherd.

THE PROPOSAL

RESOLVED, that the Audit Committee does not directly engage, appoint or approve the engagement of Galaz, Yamazaki, Ruiz Urquiza, S.C. (Deloitte Mexico), a member of Deloitte Touche Tohmatsu Limited, or indirectly through Deloitte & Touche LLP, to audit the 2020 financial statements of The Procter & Gamble Company Mexican subsidiaries.

SUPPORTING STATEMENT

According to the conclusions of an extensive in-depth study conducted by Dr. Raul Plascencia Villanueva, a renowned international human rights expert and former president of the National Commission of Human Rights of Mexico, Deloitte Mexico has implemented policies that essentially prohibit retired partners, a significant stakeholder group, to engage in any professional activity, backed by the threat that doing so will result in the termination of their vested pension benefits. The policy constitutes an egregious violation of human rights that contravenes the core provisions of the International Covenant on Economic, Social and Cultural Rights, the Convention 102 of the International Labour Organization, the American Convention on Human Rights, article 23 of the UN Universal Declaration of Human Rights and the recommendations of the UN Guiding Principles on Business and Human Rights. The policy also breaches Article 5 of the Constitution of Mexico.

Respect for human rights is shared by society at large and is relevant to companies' corporate governance policies. This assertion is corroborated by many published surveys and studies: Ipsos Human Rights in 2018, A Global Advisors Survey finds that 83% of US interviewees responded, "that it is important to have a law that protects human rights" and 77% responded

"that human rights are important for creating a fairer society".

In this respect, we believe that the Company should adopt the following recommendation of the UN Guiding Principles on Business and Human Rights (Chapter II, article 13 (b)):

"Seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, ***even if they have not contributed to those impacts****"* (emphasis added).

The proposed disengagement of Deloitte Mexico transcends day-to-day business matters and relates to an issue that is of such significance that is appropriate for a shareholder vote. The effect of the disengagement and substitution of Deloitte Mexico should not be material on Deloitte & Touche LLP's scope of the audit of the Company's 2020 consolidated financial statements, consequently, we will cast an affirmative vote for their ratification as the Company's independent registered public accounting firm.

This proposal is made consistent with our genuine personal commitment to increase the respect of human rights by society as a whole. The revocation of the policy at question will not result in any direct benefit to the proponents. Should there be any indirect collateral benefit to the proponents it would not in any way diminish, mitigate or nullify the flagrancy of Deloitte Mexico's human rights violations.

P&G shareholders should take advantage of this opportunity to contribute to a greater respect for human rights by voting affirmatively for this proposal.

HUMAN RIGHTS

Human rights are fundamental standards that allow human beings to live with freedom, dignity, equality, justice, peace. Respect for human rights is the responsibility of states, individuals, businesses. Human rights are not an abstract concept, as stated by the Company's counsel in its no-action request to the Commission. The physical and psychological pain experienced by the victims of human rights violations is very real.

The guidelines of the United Nations Guiding Principles on Business and Human Rights (UNGPBHR) are not enforceable but they are a forceful framework whose implementation results in more socially responsible corporate governance. Procter & Gamble should implement the guidelines consistent with its corporate values: "We always try to do the right thing" and "We uphold the values and principles of P&G in every action and decision".

BASES FOR ALLOWING THE PROPOSAL

A. Rule 14a-8(i)(7) - The Proposal and P&G's ordinary business operations.

Management's actions to help prevent or mitigate adverse human rights impacts that are directly linked to the operation of a service provider are infrequent and not part of the day-to-day ordinary business operations of an enterprise. Violations of human rights are a significant social concern that transcend ordinary business matters. Disengaging Deloitte Mexico for its reprehensible corporate behavior is a matter of a simple nature and shareholders are in a position to make an informed judgement. Furthermore, the conclusions of Dr. Plascencia's study (Exhibit), which is the basis of our proposal, demonstrate clearly that Deloitte Mexico's policies ("Policy" or "Policies") result in flagrant violations of the human rights of more than sixty retired partners.

Our proposal to disengage a service supplier who violates human rights cannot be excluded solely on the basis that it is an auditing firm. Would the position of the Company change if the supplier were not an auditing firm? The Company should strive to prevent or mitigate adverse human rights impacts that

are **related to the operations of their business relationships**, irrespective of the nature of their business, as recommended by the UNGPBHR.

B. Rule 14a-8(i)(5) – Measurement of human rights violation in economic terms.

The Human rights violations committed by Deloitte Mexico cannot be subjected to economic relevance measurements. There is no threshold for determining the degree of gravity of human rights violations. One violation is one too many. Preventing human rights violations is part of the Company's social responsibility and transcends any business considerations. Human rights violations are not an abstract concept, they constitute a real impingement on the dignity and decency of individuals.

An increasing number of individual shareholders and institutional investors view respect for human rights and other social issues as material to their investment decisions; thus, respect for human rights relates significantly to all companies' businesses.

Company's counsel appears to support the existence of the Deloitte Mexico policy that essentially prohibit any professional activities of retired partners because it is consistent with accounting firms' independence policies. He also maintains that the policy deals with retired partners' share in partnership earnings. Both affirmations are incorrect. The Policy prohibits retired partners to engage in any professional activity with non-clients of the firm, a flagrant violation of their fundamental right of choice of employment and a blatant encroachment on their freedom. The retired partners' pension payments relate to vested benefits and are not a share in partnership earnings, as recently resolved by a circuit court in Mexico in the case of Guillermo Plascencia (a retired partner) vs. Galaz, Yamazaki, Ruiz Urquiza, S. C. (Deloitte Mexico), (February 2019). It is worth noting that despite this resolution and the refusal of the Supreme Court of Mexico to hear the case, the Policy continues in effect.

C. Rule 14a-8(i)(4) – Personal Interest of the Proponents.

We do not have any personal claims against, and, accordingly, have not sought and will not seek any redress from Deloitte Mexico. Our proposal is part of our genuine efforts to contribute to a greater respect for human rights. Any indirect potential personal interest that we could derive from the revocation of the Deloitte Mexico's policies at question would not diminish, attenuate or nullify the adverse impact of the violations on more than sixty retired partners and their families.

As stated above, an increasing number of individual shareholders and institutional investors view respect for human rights and other social issues as material to their investment decisions. Furthermore, the results of the IPSOS survey quoted in the Proposal constitutes incontestable evidentiary support that human rights are important to society at large.

D. Rule 14a-8(i)(9) – Conflicts of the Proposal with one of P&G's planned proposal.

Our proposal does not conflict directly with the Company's intended proposal to ratify Deloitte & Touche as its registered public accounting firm. The Proposal does not present an alternative and conflicting decision for shareholders, and a "yes" or "not" vote will not provide inconsistent or ambiguous results.

We are proposing the disengagement and substitution of Deloitte Mexico as auditors of the Company´s Mexican subsidiaries, not the disengagement of Deloitte & Touche as auditors of the Company's 2020 consolidated financial statement.

As indicated in the Proposal, the disengagement of Deloitte Mexico should not have a material effect on Deloitte & Touche's consolidated audit scope. The sales of all the Company's Latin America subsidiaries represented 7% of the 2018 consolidated sales, therefore, the sales of the Mexican's subsidiaries cannot be material in relation to the consolidated totals. The current economic conditions of Mexico indicate that this relationship is unlike to increase. Consequently, it is improbable that Deloitte & Touche would opt for not relying on the audit results of a substitute firm in opining on the Company's 2020 consolidated financial

statements.

It is not unusual for a company to engage a different firm to audit part of its consolidated financial statements when faced with issues of competency, conflict of interest and other considerations. The inconvenience that would result from disengaging Deloitte Mexico should not outweigh the Company's responsibility to contribute to the prevention and mitigation of human rights violations.

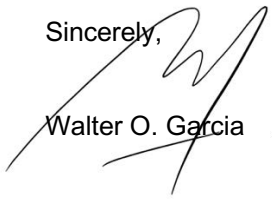
CONCLUSION

All individuals are entitled to basic human rights. To protect human rights is to ensure that everyone receives a humane and decent treatment. To violate the individuals' basic human rights is to treat them as if they are less than human, denying them respect and dignity. We submitted the Proposal with the objective of contributing to the respect of human rights, which objective is generally shared by society at large.

The Company has an easy choice, contribute to the revocation of a malignant policy or act complicitly by doing nothing.

For the reasons expressed in this response, we respectfully request the Commission to deny The Procter & Gamble Company no-action request for the exclusion of our proposal from its 2019 Proxy Materials.

Sincerely,



Walter O. Garcia .

cc: Ms. Patricia A. Woertz, Chair Audit Committee
Mr. Aaron Shepherd, Senior Counsel

Attachments:

Exhibit

Plascencia Villanueva y Asociados S.C.

The following is a free translation of the Spanish version of Dr. Plascencia's report issued on November 29, 2018

REPORT

RELATIVE TO THE RESPECT OF THE HUMAN RIGHTS OF SENIOR PERSONS BY GALAZ, YAMAZAKI, RUIZ" URQUIZA, S.C., (DELOITTE MEXICO)

Index

I Report objectives

The undersigned, Raul Plascencia Villanueva, Doctor of Law, render this report at the request of Mr. Walter Oswaldo Garcia.

Enclosed is a copy of my *Curriculum Vitae* as of the date of this report, that support the knowledge, academic preparation and academic and professional experience that provide me with the authority to issue this expert opinion.

I declare that I have had access to the several documents refer to throughout this report.

The objective of this report is:

a. Identify whether Galaz Yamazaki, Ruiz Urquiza, S.C., has nullified the rights to free choice of employment, equality and social safety.

b. Determine whether Galaz, Yamazaki, Ruiz Urquiza, S.C., as a legal entity, complies with its obligation to act in accordance with human rights due diligence by respecting the rights of senior citizens (65 and older) with respect to the payment of pension benefits upon retirement and other benefits relative to social safety.

Galaz, Yamazaki, Ruiz Urquiza, S.C., is the member firm of Deloitte Touche Tohmatsu Limited in México.

Following are the principal aspects that I have been requested to analyze:

Determine whether Galaz, Yamazaki, Ruiz Urquiza, S.C's actions have resulted in human rights violations.

a. Determine whether the articles of partnership and policies of Galaz, Yamazaki, Ruiz Urquiza, S.C., violate articles 1, 5 and 123 of the Constitution of Mexico.

b. Determine whether Galaz, Yamazaki, Ruiz Urquiza, S.C., has observed human rights due diligence in the treatment and attention to senior citizens.

II. Case presentation

1. The articles of partnership of Galaz, Yamazaki, Ruiz Urquiza, S.C., ("Galaz", "Partnership", the "Firm"), partners who reach the retirement age (B partners) will have the right to profit-sharing in an amount equivalent to 1% of the highest average earnings of the last six years as active partner

times the number of years the partner remained in the Partnership as an active partner up to a maximum of 25. The amount of profit sharing is adjusted annually by applying the National Consumer Price Index.

2. In August 2014, the Chief Executive Officer of the Firm implemented the following policy:

> **". . .B partners will not carry out any professional activities that require or are related to the profession or skills required when they were A partners, except and with the authorization of the Firm: teaching, research or cultural activities…"**

The CEO communicated orally to B partners that those who were carrying out activities contrary to the aforementioned policy and did not resign from them during a transition period that was to be authorized by Firm Management, commencing on October 1, 2014, would be deemed to be in violation of the Firm's articles of partnership and all profit-sharing payments would be suspended or terminated.

Payments to B partners are pension payments and they cannot be construed as a share in partnership earnings since there is no correlation between the duties and rights of retired partners stipulated in the articles of partnership and the legal and academic definition of the term partner. Payments to B partners are individualized and defined obligations of the Partnership and real and consummated benefits of B partners; i.e., vested benefits that are generated by complying with all the conditions required to give effect to the defined payments based on their years and earnings as active partners.

4. The articles of partnership of Galaz, Yamazaki, Ruiz Urquiza, S.C. in effect at the time the aforementioned policy was implemented established the following with respect to professional activities of B partners:

> **"Other than memberships or affiliations in associations of businessmen, social and sport groups, B partners will not engage in activities that the Special Partners' Assembly deems detrimental to the interest or reputation of the Partnership. However, B partners may keep the emoluments corresponding to the position of official examiner of entities that are or are not clients of the Firm or member of the *board of directors of the latter* (emphasis added)."**

III. OPINION ON THE INFORMATION ANALYZED

The analysis of the furnished information allows me to observe that Galaz, Yamazaki, Ruiz Urquiza, S.C.'s, conduct is not in accordance with human rights due diligence* that presupposes full respect of human rights of the persons who

work for the Partnership, particularly of those older than 65 years as it concerns its social safety derived from pension payments.

*Human Rights Due Diligence is the process to identify, prevent, mitigate, and account for how business addresses impacts on human rights. UN Guiding Principles on Business and Human Rights.

In effect, we observe that its conduct is contrary to human rights due diligence corresponding to an entity respectful of the rights established in the Constitution of Mexico, as well as other international covenants subscribed by Mexico. Its acts have resulted in violations of the right to work and to equality, are discriminatory against persons older than 65 years, and constitute attempts against social safety and are detrimental to life projects.

1. Private entities and human rights due diligence

At present, all private entities are obligated to act in accordance with human rights due diligence, which implies the observation, respect and protection of the rights of all persons with whom they interact, particularly those that comprise their workforce.

The violation of human rights by private individuals against other private individuals has been the subject of analysis and resolution on the part of the Inter-American Court of Human Rights and the Supreme Court of Justice of Mexico.

The sentence of the Amparo (2/2000) (an Amparo suit is an appeal on the grounds of unconstitutionality filed before the Supreme Court of Mexico), in review, resolved by the Second Chamber of the Supreme Court, specifies: “in constitutional articles 2, 4, 27 and 3:I we find provisions that impose to private individuals duties of to do and not to do. Article 2 prohibits slavery; such prohibition cannot, by logic and reason, be attributed to the state but to private individuals; the infringement of article 27, which establishes the limits of private property, would provoke a constitutional violation; concluding that the provisions established in the constitution apply equally to authorities and to private citizens, since both may be active subjects in the commission of a constitutional violation independent of the procedures contemplated for the corresponding redress.”

In conflicts in which a private individual denounces that another private individual has nullified his fundamental rights, the Amparo under consideration

by the Supreme Court is an important mean to review the constitutionality of the interactions between private individuals. With respect to matters that have already occurred it strengthens liberty and equality in the broad area of private interactions.

On the other hand, the office of the United Nations High Commissioner for Human Rights is clear with respect to the responsibility of business enterprises to protect, respect and remediate any violation of human rights, as stipulated in The United Nations Guiding Principles on Business and Human Rights which establish the international framework and standards of conduct expected to be observed by all business enterprises.

The observance of human rights due diligence permits the prevention and mitigation of adverse consequences on human rights and the correction of any excess, abuse or omission. It implies the communication and confrontation of human rights violation risks.

2. Constitutional duty to observe human rights

A reading of article 1of the Constitution of Mexico conveys the acknowledgement that all persons have the right to enjoy the human rights contained in the Constitution and in international covenants subscribed by Mexico[1], as well as the enjoyment of the guarantees to protect them, which exercise can be restricted or suspended only in the cases and conditions described in the Constitution, imposing on all authorities the obligation to promote, respect, protect and guarantee human rights in accordance with the principles of universality, indivisibility and progressiveness in the areas of their responsibilities.

With respect to the text of article one, it is important to specify that when a human right is recognized by the Constitution of Mexico as well as the different international covenants subscribed by Mexico, it is necessary to consider the contents and scope of all sources and grant those affected the highest protection offered (pro persona principle). If there were to exist any restriction to exercise that human right, the provisions of the Constitution of Mexico would apply, it being the fundamental law of Mexico's judicial system, as resolved by the First Chamber of the Supreme Court of Mexico in its jurisprudence thesis 29/2015[2]

' in CPEUM incluye a todos los derechos contenidos en un Tratado Internacional vinculante para México, con independencia de la naturaleza del instrumento internacional, esto es, no importa que no sea especializado en derechos humanos.

The human rights norms contained in the Constitution of Mexico and in international covenants are integrated in a compendium of rights that function as a constitutional parameter; they are not mutually related in hierarchical terms[3]. All human, civic, social, economic and cultural rights have the same validity and importance, without there being any hierarchy among them.

In that regard, the Supreme Court of Mexico interpreted the principle of progressiveness in the following sense:

> **PROGRESSIVENESS OF HUMAN RIGHTS PRNCIPLE. CRITERIA TO DETERMINE WHETHER A LIMITATION TO EXCERCISE A HUMAN RIGHT RESULTS IN THE VIOLATION OF SUCH PRINCIPLE.**
>
> **The principle of progressiveness of human rights,** guaranteed by article 1 of the Constitution of Mexico, is a requisite for consolidating the guarantee of protection of human dignity, as its observance requires, on one hand, that all authorities within their area of competence increase gradually the promotion, respect, protection and guarantee of human rights, and on the other, precludes them, given the concept of non-regressiveness, to adopt measures that would decrease the level of protection. With respect to the latter concept, it must be emphasized that the limitation of the exercise of a human right is not necessarily a synonym of nullification of such principle, since determining whether a certain measure respects the principle, it is necessary to analyze whether (I) the decrease in the level of protection is intended mainly to increase the guarantee of a human right; and (II) it affords a reasonable balance between the fundamental rights in question, without impairing significantly the efficaciousness of one of them. To determine whether the limitation in the exercise of a human right violates the principles of human rights progressiveness, the legal practitioner should make a combined analysis of the individual impact of a certain measure in relation to its collective implications in order to establish if it is justified[4].

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2 Tesis de Jurisprudencia 29/20 TS (10a.). Derechos humanos reconocidos tanto por la Constitución Política de los Estados Unidos Mexicanos, como en Nos Tratados internacionales. Para determinar su contenido y alcance debe acudirse a ambas fuentes, favoreciendo a las personas la protección más amplia, aprobada por la Primera sala de este Alto Tribunal, en sesión privada de quince de abril de 2015.

3 Tesis de Jurisprudencia P./J. 20/2014 (10a.), Derechos humanos contenidos en la Constitución y en los tratados Internacionales. Constituyen el parámetro de control de regularidad constitucional, pero cuando en la Constitución haya una restricción expresa at ejercicio de aquéllos, se debe estar a lo que establece e) texto constitucional, Tribuna) en Pleno de la Suprema Corte de Justica de la Nación, 30 de abril de 2014.

Social rights may be analyzed from two different perspectives, first subjectively as an individual right of all persons and second from a social and institutional viewpoint, as sustained by the First Chamber of the Supreme Court of Mexico in its thesis 1a. CCLXXXVII/2016 (10a.), establishing that the right to social safety presents the two aspects given the relationship between personal autonomy and the functioning of a democratic society[5].

Consequently, the Right to Social Safety (RSS) may also be viewed from two perspectives, individually as a subjective right that allows a person to develop an autonomous life plan, free of fear and the burdens of poverty, guaranteeing access to goods and services in order to live a dignified existence (article 4 of the Constitution of Mexico and the General Law of Social Development), and socially through an effective and efficient system of social safety or a social institution of a contributory nature established for the benefit of workers.

Society, business and individuals are responsible for observing the law and acting accordingly in a framework of co-responsibility, otherwise they would be forced to comply with the law, reaching the extreme that enforcement would have to be resolved by the courts (justiciability of rights). In case of violation of the RSS by private individuals, the State would have to ensure that the enjoyment of the right is restored to the victim and, if applicable, reparation of the damaged caused.

In effect, the RSS implies a co-responsibility between the State, society, business and individuals. The Covenant 102 as well as OG19 and the PPS establish that the State is principally, but not exclusively, responsible for implementing and administering a system of social safety, and for complying with the legal obligation of observing and protecting the exercise of the RSS.

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4 Tesis de Jurisprudencia 41/2017 (:t 0a.). Aprobada por la Segunda Sada de este Alto Tribunal, en sesión privada del veintiséis de abril de dos mil diecisiete.

5 DERECHO PUNDAMEWAL A LA EDUCACIIN B@ICA. TIENE UNA DI MENSI§N SUBJETTVA COMO DERECLJO INDIVTD UAL Y UNA DIMENSION SOCIAL 0 7NSTTTLIOONAL, POR SU CONEXT§N CON LA AUTONONIIA PERSONAL Y EL FUNCIONAMIENTO DE UNA SOCIEDAD DEMOCR/\PTCA.
El contenido mínimo del derecho a la educación obligatoria (básica y media superior) es la provisi6n del entrenamiento intelectual necesario para dotar de autonomía a las personas y habilitarlas como miembros de una sociedad democrática. Por ello, e) derecho "humano a la educación, además de una vertiente subjetiva como derecho individual de todas las personas, tiene una dimensión social o institucional, pues la existencia de personas educadas es una condicl6n necesaria para el funcionamiento de una sociedad democrática, ya que la deliberación publica no puede llevarse a cabo sin una sociedad informada, vigilante, participativa, atenta a las cuestiones públicas y capaz de intervenir competentemente en la discusión democrática...". Amparo en revisión 750/2015. Maria Angeles Cárdenas Alvarado. 20 de abril de 20:t6.
Tesis: 1a. CCLXXXVII/2016 (10a.), Gaceta del Semanario judicial de la Federación, Décima Época, Primera Sala, Libro 37, diciembre de 2016, Tomo I, p. 367

Employers and beneficiaries have a joint responsibility to finance a system of social safety (through the contributions of employers and workers), In certain cases the State has that responsibility (paragraph 4, OG19). Article 71.1 of the Covenant 102 establishes that the "cost of benefits granted by applying said covenant and administrative costs shall be financed collectively through contributions or taxes or both to avoid burdensome costs to persons of limited means.

In Mexico the RSS has been recognized in a general way (not expressly) in article 4 and, specifically, for workers in the formal employment sector who are enrolled in a social security system, in article 123 of the Constitution of Mexico, as well as in article 6 of the General Law of Social Development and, in articles 22 and 25 of the UN Universal Declaration of Human Rights (UNUDHR), in article 9 of the International Covenant on Economic, Social and Cultural Rights (ICESCR) and in article 16 of the American Declaration of the Rights and Duties of Man (ADRDM).

3. Violation of the right to the liberty to work and equality for acts of discriminations

Article 5 of the Constitution of Mexico establishes the right of all persons to engage in the profession, trade or commercial pursuit of his or her choice so long as it is lawful.

Agreements whose objective is the impairment, loss or irrevocable sacrifice of a person's freedom, for any reason, are prohibited. Likewise, no agreement in which a person agrees to renounce temporarily or permanently to his or her right to exercise a given profession, trade or business would be recognized.

> **Article 5 of the Constitution of Mexico. No one may be impeded to engage in the profession, industry, commerce or work of his or her choice, so long as they are lawful.** The exercise of the freedom to exercise the profession, trade or business of a person's choice may be forbidden only by judicial resolution when the rights of a third party are infringed, or by a government resolution, issued in accordance with the terms of the law, when the rights of society are undermined.
>
> No person may be deprived of the fruit of his or her work, except by judicial resolution.
>
> The law in each state will determine, the professions that require a college degree, license or certificate for their practice, the necessary requisites for obtaining them, and the authorities empowered to issue and regulate them.

No person may be obligated to work without fair compensation and without his or her consent, except work imposed as punishment by the judicial authorities, which shall conform with the provisions of sections I and II of articles 123 of the Constitution of Mexico.

Public service is compulsory only in the terms established by the respective laws: military service and jury duty, as well as councilships and popularly elected, directly or indirectly, positions. Electorate and census functions will be compulsory and non-remunerated, except that those rendered professionally consistent with the terms of the Constitution of Mexico and related laws will be compensated. Professional services of a social nature will be compulsory but remunerated in the terms established by law with the exceptions indicated therein.

The state cannot allow the enforcement of a contract, pact or covenant whose end is the impairment, loss or irrevocable sacrifice of a person's freedom, for any reason. Likewise, no agreement in which a person agrees to his or her banishment or in which he or she renounces temporarily or permanently to his or her right to exercise a given profession, trade or business.

An employment contract would be binding only to render the service agreed upon for the time provided by the law, without exceeding one year to the detriment of the worker, and it may not be extended, in any case, to the waiver, loss or restriction of any the civil or political rights.

Breach of such contract by the worker shall render him or her liable for damages, but in no case will it imply coercion against him or her.

Likewise, the International Covenant on Economic, Social and Cultural Rights recognizes the right of everyone to earn his living by engaging in work that he or she freely chooses or accepts, under equitable and satisfactory conditions, as drawn from the following articles:

Article 6

1.The States Parties to the present Covenant recognize the right to work, which includes the **right of everyone to the opportunity to gain his living by work which he freely chooses or accepts and will take appropriate steps to safeguard this right.**

2.The steps to be taken by a State Party to the present Covenant to achieve the full realization of this right shall include technical and vocational guidance and training programs, policies and techniques to achieve steady economic, social and cultural development and full and productive employment under conditions safeguarding fundamental political and economic freedoms to the individual.

Article 7

The States Parties to the present Covenant recognize the right of everyone to the enjoyment of just and favorable conditions of work which ensure, in particular:

a) Remuneration which provides all workers, as a minimum, with:

i) Fair wages and equal remuneration for work of equal value without distinction of any kind, in particular women being guaranteed conditions of work not inferior to those enjoyed by men, with equal pay for equal work;

ii) A decent living for themselves and their families in accordance with the provisions of the present Covenant;

b) Safe and healthy working conditions;

c) Equal opportunity for everyone to be promoted in his employment to an appropriate higher level, subject to no considerations other than those of seniority and competence;

d) Rest, leisure and reasonable limitation of working hours and periodic holidays with pay, as well as remuneration for public holidays.

Articles of partnership of Galaz, Yamazaki, Ruiz Urquiza, S.C., in ARTICLE FOURTY THREE O CUADRAGESIMO TERCERO, establish expressly:

B partners will have no participation in the capital of the partnership, will not have voting rights in any Partners' meeting and will not participate in the management of the partnership.

On the other hand, B partners so long as they receive payments under this category agree to the following commitments:

a) They will not render any services regularly offered by the Partnership, either personally or as member or employee of professional entity without the written permission of the Special Partners' Assembly.

b) Nor will they accept any job or position with a client of the Partnership, which may impair its Independence, in the opinion of the Special Partners' Assembly.

c) Other than memberships or affiliations in associations of businessmen, in social, sports, trade and religious groups, in not-for–profit professional organizations, teaching courses and seminars, a retired

partner will not engage or continue to engage in any activity that the Special Partners' Assembly deems detrimental to the interests or prestige of the Firm; however, he or she may serve, and keep the corresponding emoluments, as statutory examiner of companies that are clients or not of the Partnership or as member of the board of directors of the ***latter*** (emphasis added).

A B partner who violates any of the provisions contained in the above sections of this article, will stop receiving the payments that under the provisions of these articles of partnership may have the right to receive, during three times the period of the violation, at the judgement of the Special Partners' Assembly.

However, in August 2014 the CEO of the Partnership informed retired partners of the implementation of the following policy:

"Retired partners will not engage in any professional activities that require or are related to the profession or skills required when they were active partners of the Firm, except, and subject to prior authorization of the Firm, teaching, research or cultural activities".

This prohibition is contrary to the provisions of article 5 of the Constitution of Mexico, as well as to articles 6 and 7 of the International Covenant on Economic, Social and Cultural Rights.

In effect, the constitutional text and the international covenants treating human rights establish the right of everyone to engage in professional activities of his or her choice, so long as they are lawful, in addition to providing a clear prohibition of any contract, agreement or covenant contrary to the freedom to work of any person.

In that regard, the Supreme Court of Mexico recognizes the possibility of human rights violations by private persons and the commitment that all businesses and associations must make to avoid discrimination and unequal treatment of their employees.

In this spirit, the human right to equality is a principle that is composed of two different facets, which although interdependent and complementary, conceptually they have two distinct attributes: 1) formal in equality and in rights, constituting a protection against distinctions or arbitrary treatment and comprehending at the same time equal treatment before the law and uniformity in the application of judicial norms. It is addressed to the materially legislative authority and consists of the control of norms, in order to avoid differentiations without constitutional justification; and 2) substantive in equality or fact, which

end is to attain equality in the real and effective enjoyment of human rights by everyone. In certain cases, this may entail the necessary removal and/or reduction of social, economic or any other type of obstacle.

On the other hand, the Inter-American Court of Human Rights, in resolving the case Yatama vs Nicaragua (preliminary exceptions, basis, redress and costs. Sentence of June 23, 2005. Series C. No. 127), sustained that the principle of equitable and effective protection by the law and from discrimination constitutes an important aspect of the human rights protection system, recognized by international covenants and expanded by international legal doctrine and jurisprudence

In this respect, the association Galaz, Yamazaki, Ruiz Urquiza, S.C., has the duty to respect and guarantee the human rights of third parties. In case the courts, in exercising control of constitutionality, observes a contractual relationship in which one of the parties nullifies the human rights of the other, the total reparation of the violation would be mandated.

It should be considered that the rights of everyone, as established in the Constitution of Mexico, enjoy a double quality, since on one hand they are composed of subjective public rights (subjective function), and on the other hand they become objective elements that inform or permeate all judicial norms, including those that originate between private individuals (objective function). Thus, it may be stated that the human rights objective function binds indirectly private individuals.

Contractual Liberty fulfills its function only when the relationship among the parties is not tainted by the inequality of one of them. Thus, given an imbalance between the parties, the efficacy of fundamental rights must be confirmed and, therefore, seek their protection.
Thus, in case of a contract signed by two parties in an unequal position, where the weakest accepts unassumable obligations, the terms of the contract must be reconsidered and corrected, notwithstanding that the affected party agreed to assume the obligations under the contract, otherwise his or her human rights would be nullified.

In effect, the free will of the parties expressed in a contract that has a negative impact on the human rights of one of them does not justify the validity of contract terms that are contrary to the law, since free will must be based in the framework of the laws applicable to the contract, which in turn are subjected to the fundamental rights established in the Constitution of Mexico and in international covenants.

The free will of the parties must be based on the rights of free development of the personality and self-determination, which result in the requirement that all parties to the contract obligate each other freely and that none of them has such power- which may be economic, structural or social on the subject matter of the contract- that places it in a position to impose unilaterally the terms of the contract on the other party, resulting in an imbalance among the parties.

Therefore, the manner in which the articles of partnership of Galaz, Yamazaki, Ruiz Urquiza, S.C. reduce the liberty of B partners, results in an act contrary to human rights due diligence; accordingly, the balance lost by virtue of the consequences caused by the material inequality should be restored pursuant to articles 1 and 5 of the Constitution of Mexico.

Likewise, given the "material inequality and the detriment of the dignity" of one of the parties there arises a form of exploitation by Galaz, Yamazaki, Ruiz Urquiza, S.C.

In effect, we are before the detriment of the essential nucleus of the dignity of the person discriminated. Human dignity is a fundamental right for which there exists a constitutional mandate to all authorities, and private individuals, to respect and protect the dignity of everyone, given the inherent interest of everyone by the mere fact of being a person, to be treated as such and not as an object and not to be humiliated, degraded, debased or reified.

4. Violation of the inherent rights to social safety

On the other hand, the fact that there is an intent to limit the social safety to persons of old age who receive a pension in their retirement, constitutes a clear violation of the right to social safety, which is contrary to the provisions of the Constitution of Mexico and of international covenants subscribed by Mexico

The wording of the text of the policy at question limits the right of any senior person to work and to earn his or her livelihood, which is contrary to the provisions of article 5 and 123 of the Constitution of Mexico and of the international instruments in which Mexico is a party.

In effect, in the covenants subscribed in the framework of the International Labour Organization the importance to "improve working conditions that generate injustice, extreme poverty, and economic privation for the majority of human beings, as well as the protection of workers against illness, workplace accidents, pensions for retirements and disability, is confirmed".

Considering the above, the respect for the dignity of human beings in the workplace has the objective of guaranteeing the recognition of workers as owners of fundamental economic and social rights.

On the other hand, Convention 102 of the International Labour Organization (ILO) defines the scope, benefits and conditions to access each of the fields mentioned therein, including the co-existence of a social security system in two facets: public and private.

In this respect, the member states may elect the financing systems and contributory or non-contributory that they deem more advantageous so long as the legislatively guaranteed benefits meet the level and scope established in conventions 102, 121, 128, 130, 168 y 183 of the ILO.

For the ILO social safety comprises:

> The protection that a society provides individuals and households to ensure access to medical assistance and guaranteed income, especially in cases of old-age, unemployment, sickness, disability, workplace accidents, maternity and loss of the household head.
>
> Said protection is guaranteed through measures relating to benefits, in cash or in kind. “The systems of social security may be of a contributory and non-contributory nature”.

Also, the Universal Human Rights System composed of international covenants, jurisprudence of international courts on human rights matters and the General Observations of the Committee on Economic, Social and Cultural Rights, recognize the right to social security as a human right that could be characterized as one of a second generation with a content that is only possible to realize in a progressive manner, which is understood in the sense of seeking to advance in its accomplishment without a reduction in its scope and content.

Likewise, the Universal Declaration of Human Rights in its articles 22 and 25[8] provide:

> Article 22. Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights[9] indispensable for his dignity and the free development of his personality.

Article 25.

(1) Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.

The UDHR recognized social security as the human right to a level of adequate life and at highest possible levels of physical, mental and economic wellbeing of all people.

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8 organización de las Naciones Unidas, http://www.ohchr.org, (fecha de consulta: 19 de Julio de 20z7).

9 La DUDH contempla dos categorías de derechos humanos: los "derechos civiles y políticos' y los "derechos económicos, sociales y culturales"; estos últimos, tienen como propósito primordial el logro de una mayor igualdad entre las personas, a través de la obtenci6n de un trabajo y vivienda dignos, la seguridad social, un nivel de vida adecuado y el acceso a una cultura y a una educación de calidad. Cuando dichos derechos son reconocidos por un Estado, genera obligaciones jurídicas para el mismo, ya que éste deberá garantizar su goce y disfrute.

"Nunca podrá recalcarse lo suficiente la Importancia de los derechos económicos, sociales y culturales. La pobreza y la exclusión se esconden detrás de muchas de las amenazas de seguridad a has que seguimos enfrentándonos tanto en el piano nacional como internacional y, por tanto, ponen en peligro la promoción y la protección de todos los' derechos humanos. 1ncluso en las economías más prósperas persisten la pobreza

y *gra*ndes desigualdades... Las desigualdades sociales y económicas repercuten en el acceso a la vida publica y la justicia. La globalización ha propiciado mayores tasas de crecimiento económico, pero no en todas las sociedades, ni en el seno de todas ellas, se disfrute de sus beneficios por igual. Ante esos desafíos tan importantes para)a seguridad humana, es necesario no solo actuar en el piano nacional sino también cooperar en eT plano internacional". Louise Arbour, Alta Comisionada de las Naciones Unidas para los Derechos Humanos (Ginebra, 14 de enero de 2005). Ver httD'//www ohChr.org, fecha de consulta (19 de Julio 2077).

Consequently, compliance with economic, social and cultural rights and the International Covenant on Economic, Social and Cultural Rights imposes not only obligations on all member states, but also holds everyone directly responsible for the procurement, permanence and observance of these rights, being their own or not.

The provisions of the General Observation No. 20[10] of the Committee on Economic, Social and Cultural Rights are also applicable. The International Covenant on Economic, Social and Cultural Rights recognizes the equal and inalienable rights of everyone and, explicitly, the right of "everyone" to exercise the right to social safety and an adequate level of existence[12].

On the other hand, the American Declaration of the Rights and Duties of Man of 1948, which "constitutes the normative foundation in the period prior to the American Convention on Human Rights[11], provides the following in its article XVI:

> Every person has the right to social security which will protect him from the consequences of unemployment, old age, and any disabilities arising from causes beyond his control that make it physically or mentally impossible for him to earn a living.

The American Convention on Human Rights also known as the "Pact of San Jose, Costa Rica", subscribed on November 22, 1969, became effective on July 18, 1978[13]. Its article 26 establishes the progressive development of the Economic, Social and Cultural Rights in the following terms:

> **Article 26. Progressive Development**
>
> The States Parties undertake to adopt measures, both internally and through international cooperation, especially those of an economic and technical nature, with a view to achieving progressively, by legislation or other appropriate means, the full realization of the rights implicit in the economic, social, educational, scientific, and cultural standards set forth in the Charter of the Organization of American States as amended by the Protocol of Buenos Aires, to the extent of available economic resources, through legislative or other appropriate means.

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10 OMU E/C. 72/GC/ 20 2 de julio de 2OO9.

11 Gancado Trindade, El sistema Interamericano de protección de los derechos humanos, en Felipe Gomez Isa et at., dirs, La Protección internacional de los derechos humanos en los albores del siglo XXI, Bilbao, 2003, Universidad de Deusto, nota 24, pp. 550 y S51.

12 Idem, (fecha de consulta: 26 de Julio de 2017].

13 México se adhirió en 1981.

The Additional Protocol to the American Convention on Human Rights in the area of Economic, Social and Cultural Rights, known as the Protocol of San Salvador, which was adopted in 1988 to correct the omission of the American Convention on Human Rights with respect to Economic Social and Cultural Rights became effective on November 16, 1999, contemplates the right to social security in its article 9:

> 1. Everyone shall have the right to social security protecting him from the consequences of old age and of disability which prevents him, physically or mentally, from securing the means for a dignified and decent existence. In the event of the death of a beneficiary, social security benefits shall be applied to his dependents.[14]
>
> 2. In the case of persons who are employed, the right to social security shall cover at least medical care and an allowance or retirement benefit in the case of work accidents or occupational disease and, in the case of women, paid maternity leave before and after childbirth.

The Protocol of Amendments to the Charter of the Organization of American States (Protocol of Buenos Aires adopted on February 27,1967; in article 43-h) establishes as a condition for man to reach the full realization of its aspirations within a fair social order accompanied by economic development and true peace, among other things, to work towards the development of an efficient policy of social safety, and in its article 44 establishes:

> The Member States recognize that, in order to facilitate the process of Latin American regional integration, it is necessary to harmonize the social legislation of the developing countries, especially in the labor and social security fields, so that the rights of the workers shall be equally protected, and they agree to make the greatest efforts possible to achieve this goal.

From the contents of the international covenants enunciated in the preceding two sections, we can reaffirm that social safety is a human right that is part of the body of all economic, social and cultural rights.

It should be pointed out that the principal legal protection must come from domestic laws and only in the assumption that the national legal system does not solve a human right violation, the mechanisms of the regional or universal systems will be used.

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14 Idem, (fecha de consulta: 26 de julio de 2017).

From the foregoing, it is observed that in accordance with the principle of universality, the human rights protection must include every person or group, particularly the groups in a vulnerable situation. The courts must consider the flexibility and evolution of human rights in interpreting this norm.

Based on the above, social security constitutes a human right that is inherent in the dignity of persons in conditions of equality and non-discrimination. The person as owner of the right obligates the state and society to joint efforts until a universal coverage is reached in order to achieve the full development of the human being.

In the normative content of the right to social security, the General Observation 19 indicates that the "right to social security includes the right to not be subjected to arbitrary or unreasonable restrictions from the existing social coverage, either public or private, as well as the right to equality in the enjoyment of sufficient protection against unforeseen social risks."[17]

With respect to the measures that the State may adopt to provide the benefits of social security, the General Observation 19 establishes that "they cannot be defined in a restrictive manner and, in any case, they must guarantee a minimum enjoyment of this human right to every person". The measures may be contributory and non-contributory plans, private plans, self-help measures (like community or mutual assistance plans). Whichever plan is chosen it must be guaranteed by the State. The plan must respect at any time, the essential elements of the right to social security.

Therefore, the exclusion of a B partner from Galaz, Yamazaki, Ruiz Urquiza, S.C. association as reprisal for exercising or intending to exercise her or her right to work and to equality, represents, in addition to being a discriminatory act, a violation of the right to equality.

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15 OEA, *QBhttps://www.oas.org/dil/esp/tratados B-31 Protocolo de Buenos Aires.htm,* (fecha de consulta: 26 de julio de 2017).

16. En nuestro país, en)a CPEUM y en Nos tratados Internacionales vinculantes para México.

17. Observación General 19, párrafo 9.

4. Impairment of Life Project, economic and non-economic damages.

The issue of reparations has been one of the principal issues on which the Inter-American Court of Human Rights has directed its attention in the last few years, thus, the jurisprudence has advanced from a moral and economic damage, as well as the damages that could be claimed in a traditional manner through civil proceedings in conformity with the legislation of each country, to a dynamic that seeks greater coverage

In effect, the issue of reparations viewed from the perspective of the jurisprudence of the Inter-American Court of Human Rights, comprises:

Economic

a. Consequential damages

b. Lost profits

c. Damage to family net worth

d. Reimbursement of costs and expenses

2. Non-economic

a. Moral

b. Psychological

c. Physical

d. Life project

c. Collective or social Colectivo o social

3. Measures of comprehensive reparation

4. Measures of rehabilitation (medical and psychological treatment and assistance)

5. Satisfaction (special publication of the sentence, public act recognizing responsibility, commemorative measures for the victims or facts or rights, scholarships, socio-economic measures of collective reparation).

6. Guarantees of non-recidivism

7. Indemnization

8. Sentence to pay costs and expenses

Therefore, suspension or termination of profit-sharing payments (pensions) to B partners results in an impairment of their life project, which constitutes one of the five variables that the Inter-American of Human Rights has identified in its jurisprudence as non-economic. This variable must be complemented with the other seven mentioned above. Galaz, Yamazaki, Ruiz Urquiza, S.C. in limiting the right of B partners to exercise their liberty to work incurs in a flagrant violation of their right to equality and an impairment of their personal liberty which places them in a condition of thing (reification).

It is important to recognize that the development of the jurisprudence of the Inter-American Court of Human Rights has allowed to define human rights, understand them and determine the scope of each one of them.

Considering the foregoing, the amount of each one of the reparations must be quantified based on the magnitude of the damaged caused, as well as the economic capacity of Galaz, Yamazaki, Ruiz Urquiza, S.C.

The antecedents of non-economic damage can be found in the case Soler vs. Colombia, in spite of having already been introduced in the case Loaysa Tamayo. In this case the victim (Wilson Gutiérrez Soler) was the subject of arbitrary detention and torture. It was concluded that his life project was destroyed as a result of the lack of reparation of the damage in national courts.

This concept is systematized in the following manner:

> "The facts impeded the realization of his expectations of personal and vocational development, feasible under normal conditions, and caused irreparable damages in his life which forced him to cut off his family ties and immigrate to a foreign country, in condition of loneliness, poverty, and physical and psychological weakening. Also, it has been proven that the specific torture suffered by the victim has permanently diminished his self-esteem and his capacity to realize and enjoy intimate relations." [18]

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18 Caso Gutiérrez Soler Vs. Colombia, párrafo 88.

Therefore, the Inter-American Court of Human Rights recognized the damage to his life project derived from the violation of his human rights. However, said court considered that even though the damages were not quantifiable in economic terms, given the complex and integral nature of the right to a life project, it demanded "measures of satisfaction and guarantees of non-recidivism, which go beyond the economic sphere.[19] Therefore, it was deemed that no form of reparation could give him back the options of personal realization of which he was deprived.

The Court, in resolving the case, combined all the above-mentioned situations as if they were different instances of "moral damage", and determined certain sums of money to compensate it. That is, it established an overall reparation for all the "different types of moral damages", including the "destruction of the life project".

In the case of Cantoral Benavides, resolved on December 3, 2001, the Court distinguished among the denominated non-economic damages, the corporal pain and emotional suffering, e.g., "moral damage" (paragraph 59), of one part, and the "serious impairment" of the life project of the victim (paragraph 60), of another part.

The Court, for purposes of the reparation of the damages, given such conceptual distinction, determined different reparations for each one of the above-mentioned non-economic damages. Thus paragraph 63 states that the compensation for the impairment of the "life project" will be made in terms different from the other forms of reparation

The reparations derived from the "damage to the life project" constitutes the most important, significative, and innovative contribution of the Inter-American Court of Human Rights pertaining to reparations for human rights violations.

19Ibídem, párrafo 89

CONCLUSIONS

1. Galaz, Yamazaki, Ruiz Urquiza, S.C., (Deloitte-Mexico) has the responsibility to respect human rights and to implement a human rights due diligence process to ensure that the rights of all persons with whom it interacts, particularly those who comprise its workforce, are observed, respected and protected.

2. The Articles of Partnership of Galaz, Yamazaki, Ruiz Urquiza, S.C. (Deloitte-Mexico), especially its Article Forty Three, and certain internal policies limit retired partners right to work and are contrary to the principles established in Article 5 of the Constitution of Mexico, articles 6 and 7 of the International Covenant on Economic, Social and Cultural Rights, to Article 23 of the United Nations Declaration of Universal Human Rights and to the recommendations of the United Nations Guiding Principles on Business and Human Rights.

3. The internal policy implemented by Galaz, Yamazaki, Ruiz Urquiza, S.C. (Deloitte-Mexico) terminating pension payments (denominated profit sharing for certain purposes), in case retired partners carry out professional activities employing the skills and experience required while they were active partners, constitutes a discriminatory policy and a clear violation of their right to retirement benefits and social safety and is contrary to the principles of the Constitution of Mexico and to the provisions of international pacts subscribed by Mexico. The potential termination of pension payments may affect significantly the retired partners life project which constitutes a flagrant violation of their right to equality and results in their reification.

4. Deloitte Touche Tohmatsu Limited has been omissive by not ensuring that its member firm Galaz, Yamazaki, Ruiz Urquiza, S.C. (Deloitte-Mexico) has a human rights due diligence process in place to Identify, prevent and mitigate adverse impacts on human rights caused by Its operations.

Dr. Raul Plascencia Villanueva

Legal Division
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May 24, 2019

Via Email (shareholderproposals@sec.gov)

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F. Street, N.E.
Washington, D.C. 20549

Re: The Procter & Gamble Company – Shareholder Proposal Submitted by Walter O. Garcia, Maria Luisa Garcia, and Gaby Garcia.

Ladies and Gentlemen:

I am writing on behalf of The Procter & Gamble Company, an Ohio corporation ("P&G" or the "Company"), to request that the Staff of the Division of Corporation Finance concur with P&G's view that it may exclude from its proxy statement the enclosed shareholder proposal and supporting statement dated April 15, 2019 (the "Proposal") received from Walter O. Garcia, Maria Luisa Garcia, and Gaby Garcia (the "Proponents"). P&G will distribute its proxy statement in connection with its 2019 annual meeting of shareholders (the "2019 Proxy Materials").

Pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934 and Staff Legal Bulletin No. 14D (Nov. 7, 2008), the Company is submitting this letter and its attachments to the Staff at shareholderproposals@sec.gov (in lieu of mailing paper copies), with simultaneous copy to the Proponents. This letter informs the Proponents of the Company's intention to omit the Proposal from its 2019 Proxy Materials because the Proposal deals with a matter relating to the Company's ordinary business operations, is nevertheless not significantly related to the Company's business, relates to the redress of the Proponents' personal grievance and interests, and directly conflicts with one of P&G's own proposals to be voted on at the same meeting.

We respectfully remind the Proponents of their obligation under Rule 14a-8(k) to furnish the Company a copy of any additional correspondence sent to the Commission or Staff with respect to the Proposal.

THE PROPOSAL

The text of the Proposal states as follows:

RESOLVED, that the Audit Committee does not directly engage, appoint or approve the engagement of Galaz, Yamazaki, Ruiz Urquiza, S.C. (Deloitte Mexico), a member

of Deloitte Touche Tohmatsu Limited, or indirectly through Deloitte & Touche LLP to audit the 2020 financial statements of The Procter & Gamble Company Mexican subsidiaries.

SUPPORTING STATEMENT
According to the conclusions of an extensive in-depth study conducted by Dr. Raül Plascencia Villanueva, a renown international human rights expert and former president of the National Commission of Human Rights of Mexico, Deloitte Mexico has implemented policies that essentially prohibit retired partners, a significant stakeholder group, to engage in any professional activity, backed by the threat that doing so will result in the termination of their vested pension benefits. The policy constitutes an egregious violation of human rights that contravenes the core provisions of the International Covenant on Economic, Social and Cultural Rights, the Convention 102 of the International Labour Organization, the American Convention on Human Rights, article 23 of the UN Universal Declaration of Human Rights and the recommendations of the UN Guiding Principles on Business and Human Rights. The policy also breaches Article 5 of the Constitution of Mexico.

Respect for human rights is shared by society at large and is relevant to companies' corporate governance policies. This assertion is corroborated by many published surveys and studies: Ipsos Human Rights in 2018, A Global Advisors Survey finds that 83% of US interviewees responded, "That it is important to have a law that protects human rights" and 77% responded "That human rights are important for creating a fairer society".

In this respect, we believe that the Company should adopt the following recommendation of the UN Guiding Principles on Business and Human Rights (Chapter II, article 13 (b)):

"Seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, ***even if they have not contributed to those impacts****"* (emphasis added).

The proposed disengagement of Deloitte Mexico transcends day-to-day business matters and relates to an issue that is of such significance that is appropriate for a shareholder vote. The effect of the disengagement and substitution of Deloitte Mexico should not be material on Deloitte & Touche LLC's scope of the audit of the Company's 2020 consolidated financial statements, consequently, we will cast an affirmative vote for their ratification as the Company's independent registered public accounting firm.

This proposal is made consistent with our genuine personal commitment to increase the respect of human rights by society as a whole. The revocation of the policy at question will not result in any direct benefit to the proponents. Should there be any indirect collateral benefit to the proponents it would not in any way diminish, mitigate or nullify the flagrancy of Deloitte Mexico's human rights violations.

P&G shareholders should take advantage of this opportunity to contribute to a greater respect for human rights by voting affirmatively for this proposal.

BASES FOR EXCLUSION

We respectfully request that the Staff concur in P&G's view that it may exclude the Proposal from the 2019 Proxy Materials on the following bases:

A. Rule 14a-8(i)(7) because the Proposal deals with a matter relating to P&G's ordinary business operations;

B. Rule 14a-8(i)(5) because the Proposal relates to operations that account for less than five percent of the Company's total assets, net earnings, and gross sales, and is not otherwise significantly related to the Company's business;

C. Rule 14a-8(i)(4) because the Proposal relates to the redress of the Proponent's personal claim or grievance against Galaz, Yamazaki, Ruiz Urquiza, S.C. ("Deloitte Mexico")[1] and is designed to further a personal interest of the Proponents, which is not shared by other shareholders at large; and

D. Rule 14a-8(i)(9) because the Proposal directly conflicts with one of P&G's own proposals to be submitted to shareholders at the same meeting.

Any of these bases represent sufficient, independent grounds for the Company to exclude the Proposal.

BACKGROUND

The Company received an initial proposal from the Proponents on October 16, 2018, one week after the Company's 2018 annual shareholders meeting. Approximately six months later, on April 16, 2019, the Proponents wrote the Company and withdrew their initial proposal, substituting it with the Proposal reproduced above (Exhibit A).

ANALYSIS

A. P&G May Exclude the Proposal Under Rule 14a-8(i)(7) Because the Proposal Deals with a Matter Relating to the Company's Ordinary Business Operations.

The Staff has consistently permitted exclusion of shareholder proposals that concern the selection or management of a company's independent auditor under Rule 14a-8(i)(7), finding these proposals deal with matters relating to companies' ordinary business operations. As the Commission outlined in Exchange Act Release No. 34-40018 (May 21, 1998), the policy underlying the ordinary business exclusion rests on two central considerations: first, that certain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight; and second, that a proposal could improperly seek to micro-manage

[1] Galaz, Yamazaki, Ruiz Urquiza S.C. is the legally separate and independent member firm of Deloitte Touche Tohmatsu Limited in Mexico. For clarity, P&G and the Proponents refer to the firm as Deloitte Mexico.

the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.

As the Staff has summarized, "Proposals concerning the selection of independent auditors or, more generally, management of the independent auditor's engagement, are generally excludable under Rule14a-8(i)(7)." *Computer Sciences Corporation* (May 3, 2012, *recon. denied* June 26, 2012). Following these principles, the Staff has concurred in the exclusion of proposals to require shareholder ratification of the independent auditor, *see, e.g., Rite-Aid Corp.* (Mar. 31, 2006); *The Charles Schwab Corporation* (Feb. 23, 2005); *Xcel Energy Inc.* (Feb. 23, 2004), proposals to require the audit committee prepare and disclose a report regarding the selection of the independent auditor, *see, e.g., Dell Inc.* (May 3, 2012); *CA, Inc.* (May 3, 2012), proposals seeking to limit or manage the term of engagement of the company's auditor, *see, e.g., Intel Corporation* (Jan. 21, 2016); *3M Co.* (Jan. 19, 2016); *T. Rowe Price Group, Inc.* (Jan. 19, 2016), and proposals requesting the company establish an audit firm rotation policy, *see, e.g., The Dow Chemical Company* (Jan. 4, 2012); *Prudential Financial, Inc.* (Jan. 4, 2012).

Of note, the Staff concurred that even these general proposals concerning independent auditor selection and management were excludable under Rule 14a-8(i)(7) as relating to ordinary business operations. Here, the Proponents go much further, directing that the Company's Audit Committee not engage directly or indirectly a specific Mexican accounting firm in the audit of the Company's Mexican subsidiaries. If a company may properly exclude a proposal relating to the management or engagement of its independent auditor generally because this function concerns ordinary business operations, it must necessarily be permitted to exclude an even more specific proposal directed at micro-managing the selection of a member audit firm to audit the Company's operations in a single country.

Further, the Staff's well-established practice of permitting exclusion of such proposals accords with the Audit Committee's fundamental responsibility to oversee the appointment, compensation, and general work of any registered public accounting firm retained for independent audits. *See* Rule 10A-3(b)(2) of the Exchange Act; NYSE Listed Company Manual Section 303A.07. In the same way that proposals to require ratification or limit the term of auditor engagement contravene this responsibility, so too does the Proponents' Proposal to exclude a particular accounting firm from the Audit Committee's informed judgment and discretion.

Therefore, consistent with the Staff's longstanding practice as it relates to proposals seeking to manage the engagement of the Company's independent auditor, P&G believes it may properly exclude the Proposal under Rule 14a-8(i)(7).

B. <u>P&G May Exclude the Proposal Under Rule 14a-8(i)(5) Because the Proposal Is Not Relevant to the Company's Business</u>.

In addition, the Proposal is excludable because it is not relevant or significantly related to P&G's business. Under Rule 14a-8(i)(5), a company may exclude a proposal that relates to operations that account for less than five percent of the company's total assets, less than five percent of its net earnings and gross sales, and that is not otherwise significantly related to the company's business. As the Staff recently noted in Staff Legal Bulletin No. 14I

(Nov. 1, 2017), the mere fact that a proposal relates to a matter of broad social or ethical concern and touches the company's business in some manner does not require inclusion of the proposal. Instead, the proponent must tie any social or ethical issued raised to a "significant effect on the company's business." *See* SLB 14I; *see also* Exchange Act Release No. 34-29093 (Sep. 18, 1997) (proponents bear the burden of demonstrating that a proposal is "otherwise significantly related to the company's business.").

In this instance, the Proposal does not concern P&G's business or operations, let alone qualify as significantly related to them.[2] Instead, by its own terms, the Proposal relates to a policy established by Deloitte Mexico concerning the type of work that its retired partners may do without impacting their right to a share of the firm's earnings. Neither the Proponents nor the Proposal make any connection between this third-party policy and P&G's business operations, the quality, accuracy, or reliability of Deloitte Mexico's audit of any P&G subsidiary's financial statements, the relationship of P&G to its independent auditor Deloitte & Touche LLP generally, or P&G's spending on audit and non-audit services provided by Deloitte & Touche LLP.[3] Further, the Proponents have provided no indication that the audit of P&G's Mexican subsidiaries represents a significant portion of Deloitte Mexico's business, let alone P&G's.

Though the Proposal attempts to frame its subject as one of broad social concern—a questionable position given the express concern relates to a limited class of individuals who receive a share of earnings after retiring from a professional services firm—the subject relates to an underlying concern with Deloitte Mexico's practices, not P&G's. Further, because retired partners continue to share in the firm's earnings, the Deloitte Mexico practice helps protect the firm's independence in its audits, a concept well understood by these professionals.

As a result, the Proposal makes no clear connection between the abstract concept of promoting human rights and the restriction it seeks to place on the Company's Audit Committee. Said another way, the Audit Committee's engagement of Deloitte & Touche LLP (and the resulting limited engagement of Deloitte Mexico) does not meaningfully advance any alleged violation of human rights.

Accordingly, P&G believes it may exclude the Proposal under Rule 14a-8(i)(5) as not relevant to the Company's business.

C. P&G May Exclude the Proposal Under Rule 14a-8(i)(4) Because the Proposal Relates to a Personal Claim or Grievance Not Shared by Shareholders Generally.

For similar reasons, P&G may exclude the Proposal under Rule 14a-8(i)(4) because it relates to the redress of the Proponents' personal claim or grievance, is designed to result in a benefit to Proponents, and furthers a personal interest of Proponents that is not shared by other shareholders generally. As the Commission has repeatedly advised, an issuer's proxy

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[2] As a threshold matter, P&G's Mexico operations, audited by Deloitte Mexico, account for less than 3% of P&G's total assets, net earnings attributable to P&G, and P&G sales for the fiscal year ended June 30, 2018.

[3] This amount—$31.9 million in P&G's fiscal year ended June 30, 2018—similarly accounts for far less than five percent of the Company's total assets, net earnings, or gross sales.

materials are not the proper forum for airing personal claims or grievances. *See* Exchange Act Release No. 34-12999 (Nov. 22, 1976); *see also* Exchange Act Release No. 34-20091 (Aug. 16, 1983); Exchange Act Release No. 34-19135 (Oct. 14, 1982). Even where the proposal is presented in general terms that "might relate to matters which may be of general interest to all security holders," a company may omit the proposal where "it is clear from the facts presented by the issuer that the proponent is using the proposal as a tactic designed to redress a personal grievance or further a personal interest." Release No. 34-19135.

Following these principles, the Staff has permitted exclusion of proposals like the one here, even when those proposals were facially neutral and nominally related to matters of general interest. *See, e.g., General Electric Co.* (Jan. 12, 2017) (concurring in exclusion of proposal to permit shareholders to act by written consent where the underlying facts showed the proponents were using the shareholder proposal process to press a former employee's personal, employment-related grievances with the company); *State Street Corp.* (Jan. 5, 2007) (concurring in exclusion of a proposal requesting an independent chairman where the proponent was a former employee with a history of litigation and harassment of the company and its CEO); *American Express Co.* (Jan. 6, 2017) (concurring in exclusion of proposal to include mandatory non-compliance penalties in the company's code of conduct where the proponent was a former employee with a personal dispute over the company's enforcement of its disciplinary codes).

Significantly, in these instances the Staff permitted exclusion even though the proposals had limited, if any, nexus to the underlying personal grievance or interests of the proponent. In this case, the Proposal seeks to limit the Audit Committee's discretion to engage Deloitte Mexico squarely because of a Deloitte Mexico policy that is of personal interest to the Proponents. Specifically, the Proposal's supporting statement asserts that Deloitte Mexico "has implemented policies that essentially prohibit retired partners, a significant stakeholder group, to engage in any professional activity," and further claims that violation of these policies "will result in the termination of [retired partners'] vested pension benefits." As outlined in a letter dated May 23, 2019, from Deloitte & Touche to Company counsel, "It is Deloitte & Touche LLP's understanding that Mr. Jose Oswaldo Garcia Mata is a retired Partner of [Deloitte Mexico]. It is further our understanding that Mr. Garcia Mata is the Father of Walter, Maria Luisa and Gaby Garcia, the proponents of the proposal." (See Exhibit B).

The Proponents thus have a significant personal interest in any resulting scrutiny of or changes to the Deloitte Mexico policy, an interest not shared by P&G's shareholders. Further, the Proponents themselves seemingly acknowledge that they will at least indirectly benefit, asserting only that their benefit would not diminish what they view as the underlying human rights concerns at issue. Again, however, the Proponents do not explain how a change in the rights of a limited class of individuals who previously worked for Deloitte Mexico is a matter of general interest to P&G's shareholders as opposed to primarily a matter of personal interest to them and these retired partners.

As a result, P&G believes it may exclude the Proposal under Rule14a-8(i)(4).

D. P&G May Exclude the Proposal Under Rule 14a-8(i)(9) Because the Proposal Conflicts with a Management Proposal to be Submitted at the Same Meeting.

Finally, P&G believes it may omit the Proposal from its 2019 Proxy Materials because the Proposal "directly conflicts with one of the company's own proposals to be submitted to shareholders at the same meeting," as stated in Rule 14a-8(i)(9). Specifically, consistent with its practice at prior annual shareholder meetings, P&G intends to include in its 2019 Proxy Materials a management proposal asking shareholders to ratify the appointment of Deloitte & Touche LLP as the Company's independent auditor for the fiscal year ending June 31, 2020.

In discussing this basis for exclusion, the Commission has noted that the proposals need not be "identical in scope or focus" to permit exclusion. Exchange Act Release No. 34-40018 n.27 (May 21, 1998). As further articulated in Staff Legal Bulletin 14H (October 22, 2015), the Staff focuses on whether a reasonable shareholder could logically vote for both proposals. For example, the Staff permitted exclusion of a shareholder proposal that called for the company to disengage its independent auditor when the company's proposal called for the ratification of the same firm. *Huron Consulting Group Inc.* (Jan. 4, 2017) (noting that a reasonable shareholder could not logically vote in favor of both proposals).

Similarly, P&G believes it may properly exclude the Proposal as conflicting with its own proposal to ratify Deloitte as the Company's independent auditor. Of note, the Company's proposal has previously sought and will again seek ratification of the Audit Committee's appointment of Deloitte & Touche LLP "as the Company's independent registered public accounting firm to conduct the annual audit of the financial statements of the Company and its subsidiaries . . .." *See* Item 2 from P&G's 2018 Proxy Statement (Exhibit C). This ratification confirms the Audit Committee's discretion to engage Deloitte as broadly as it deems appropriate and effective in conducting the independent audit.

In contrast, the Proponents' Proposal would direct the Audit Committee not to "directly engage, appoint or approve the engagement of [Deloitte Mexico], a member of Deloitte Touche Tohmatsu Limited, or indirectly through Deloitte & Touche LLP to audit the 2020 financial statements of The Procter & Gamble Company Mexican subsidiaries." Despite the Proponents' self-serving claim that they will vote in favor of both the Company's proposal and their own, they and the Company's other shareholders cannot logically do so because the Proponents' proposal strips the Audit Committee of its discretion and instead mandates the opposite course of action.

In addition to this direct conflict, an affirmative vote on both proposals would lead to diverging, ambiguous direction to the Company's Audit Committee, which would have both shareholder ratification of its decision to engage Deloitte to audit the financial statements of the Company and its subsidiaries, and a shareholder mandate not to engage Deloitte Mexico to audit the financial statements of the Company's Mexican subsidiary.

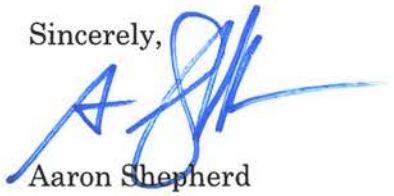
Faced with this conflict, P&G believes it may exclude the Proposal under Rule 14a-8(i)(9).

CONCLUSION

Based on the analysis above, P&G respectfully requests that the Staff concur it will not recommend any enforcement action to the Commission if the Company excludes the Proposal from its 2019 Proxy Materials.

If you have any questions regarding this request or would appreciate any additional information, please contact me. Thank you for your attention to this matter.

Sincerely,



Aaron Shepherd
Senior Counsel

Enclosures

Cc: Walter O. Garcia,
Gaby Garcia & Maria Luis Garcia
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EXHIBIT A:

Shareholder Proposal

WALTER O. GARCIA

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MS. DEBORAH P. MAJORAS
CHIEF LEGAL OFFICER AND SECRETARY
PROCTER & GAMBLE COMPANY
1 PROCTER & GAMBLE PLAZA,
CINCINNATI, OHIO 45202

April 15, 2019

RE: Substitution of proposal submitted on October 14, 2018

Dear Ms. DEBORAH P. MAJORAS,

I, Walter O. Garcia, and Maria Luisa Garcia and Gaby Garcia, shareholders of The Procter & Gamble Company would like to withdraw our shareowner proposal submitted on October 14, 2018 and submit the enclosed proposal for inclusion in the proxy statement that The Procter & Gamble Company plans to circulate to shareowners in anticipation of the 2019 annual meeting. The proposal is being submitted under SEC Rule 14a-8 and relates to a matter contrary to the Company's values, principles and policies.

We are located at ***
We have beneficially owned more than $2,000 worth of The Procter & Gamble Company common stock for longer than one year. A letter from Morgan Stanley Smith Barney LLC, confirming that ownership and the related holding periods is enclosed. We intend to continue ownership of at least $2,000 worth of The Procter & Gamble Company stock through the date of the 2019 annual meeting, which I will attend.

We also enclose copy of a report from Dr. Raúl Plascencia Villanueva supporting the assertions made in the proposal.

I would be glad to discuss the issue set forth in the enclosed proposal with you. If you require additional information, please let me know.

Very truly yours,

Walter O. Garcia

Cc:

Ms. Patricia A. Woertz, Chair Audit Committee
Ms. Sandy Lane, Director and Associate General Counsel

RESOLVED, that the Audit Committee does not directly engage, appoint or approve the engagement of Galaz, Yamazaki, Ruiz Urquiza, S.C. (Deloitte Mexico), a member of Deloitte Touche Tohmatsu Limited, or indirectly through Deloitte & Touche LLP to audit the 2020 financial statements of The Procter & Gamble Company Mexican subsidiaries.

SUPPORTING STATEMENT

According to the conclusions of an extensive in-depth study conducted by Dr. Raúl Plascencia Villanueva, a renown international human rights expert and former president of the National Commission of Human Rights of Mexico, Deloitte Mexico has implemented policies that essentially prohibit retired partners, a significant stakeholder group, to engage in any professional activity, backed by the threat that doing so will result in the termination of their vested pension benefits. The policy constitutes an egregious violation of human rights that contravenes the core provisions of the International Covenant on Economic, Social and Cultural Rights, the Convention 102 of the International Labour Organization, the American Convention on Human Rights, article 23 of the UN Universal Declaration of Human Rights and the recommendations of the UN Guiding Principles on Business and Human Rights. The policy also breaches Article 5 of the Constitution of Mexico.

Respect for human rights is shared by society at large and is relevant to companies' corporate governance policies. This assertion is corroborated by many published surveys and studies: Ipsos Human Rights in 2018, A Global Advisors Survey finds that 83% of US interviewees responded, "That it is important to have a law that protects human rights" and 77% responded "That human rights are important for creating a fairer society".

In this respect, we believe that the Company should adopt the following recommendation of the UN Guiding Principles on Business and Human Rights (Chapter II, article 13 (b)):

"Seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, ***even if they have not contributed to those impacts***" (emphasis added).

The proposed disengagement of Deloitte Mexico transcends day-to-day business matters and relates to an issue that is of such significance that is appropriate for a shareholder vote. The effect of the disengagement and substitution of Deloitte Mexico should not be material on Deloitte & Touche LLC's scope of the audit of the Company's 2020 consolidated financial statements, consequently, we will cast an affirmative vote for their ratification as the Company's independent registered public accounting firm.

This proposal is made consistent with our genuine personal commitment to increase the respect of human rights by society as a whole. The revocation of the policy at question will not result in any direct benefit to the proponents. Should there be any indirect collateral benefit to the proponents it would not in any way diminish, mitigate or nullify the flagrancy of Deloitte Mexico's human rights violations.

P&G shareholders should take advantage of this opportunity to contribute to a greater respect for human rights by voting affirmatively for this proposal.

EXHIBIT B:

Letter from Deloitte & Touche LLP

Deloitte.

Deloitte & Touche LLP
Suite 1900
250 East Fifth Street
Cincinnati, OH 45202-5109
USA

Tel: +1 513 784 7100
www.deloitte.com

May 23, 2019

Mr. Aaron Shepherd
Senior Counsel, Corporate & Securities
The Procter & Gamble Company Legal Division
One P&G Plaza
Cincinnati, Ohio 45202

Re: Shareholder Proxy Request

Dear Mr. Shepherd:

It is Deloitte & Touche LLP's understanding that Mr. José Oswaldo Garcia Mata is a retired Partner of Galaz, Yamazaki Ruiz Urquiza, S.C. ("Deloitte Mexico"). It is also our understanding that Mr. Garcia Mata is the Father of Walter, Maria Luisa and Gaby Garcia, the proponents of the proposal.

Sincerely,

Deloitte & Touche LLP

EXHIBIT C:

Item 2 from P&G's 2018 Proxy Statement

ITEM 1. ELECTION OF DIRECTORS

See pages 6-14 of this proxy statement

ITEM 2. PROPOSAL TO RATIFY APPOINTMENT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the independent external audit firm retained to audit the Company's financial statements. In order to assure continuing audit independence and objectivity, the Audit Committee will periodically consider whether there should be a rotation of the independent external audit firm. In accordance with the SEC-mandated rotation of the audit firm's lead engagement partner, the Audit Committee is also involved in the selection of the external audit firm's lead engagement partner.

The Audit Committee selected Deloitte & Touche LLP as the Company's independent registered public accounting firm to perform the audit of our financial statements and our internal controls over financial reporting for the fiscal year ending June 30, 2019. Deloitte & Touche LLP was our independent registered public accounting firm for the fiscal year ended June 30, 2018. The members of the Audit Committee and Board believe that the retention of Deloitte & Touche LLP to serve as the Company's independent external auditor is in the best interest of the Company and its shareholders. In the course of these reviews, the Audit Committee considers, among other things: external auditor capability, effectiveness and efficiency of audit services, results from periodic management and Audit Committee performance assessments, and appropriateness of fees in the context of audit scope. The Committee also reviews and approves non-audit fees.

Deloitte & Touche LLP representatives are expected to attend the 2018 annual meeting. They will have an opportunity to make a statement if they desire to do so and will be available to respond to appropriate shareholder questions.

We are asking our shareholders to ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm. Although ratification is not required by the Company's Code of Regulations, the By Laws of the Board of Directors, or otherwise, the Board is submitting the selection of Deloitte & Touche LLP to our shareholders for ratification as a matter of good corporate practice. The Board will take into consideration the shareholder vote, but the Audit Committee, in its discretion, may retain Deloitte & Touche LLP or select a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interest of the Company and our shareholders.

The Board of Directors recommends a vote FOR the following proposal:

RESOLVED, That action by the Audit Committee appointing Deloitte & Touche LLP as the Company's independent registered public accounting firm to conduct the annual audit of the financial statements of the Company and its subsidiaries for the fiscal year ending June 30, 2019 is hereby ratified, confirmed, and approved.