



# 2020 Proxy Season Key Statistics and Performance Rating

Broadridge is pleased to report key statistics and performance ratings for the 2020 proxy season. This report covers communications processing and voting for shares held beneficially (in “street name”) at 3,714 shareholder meetings (from February 15 to June 30, 2020).

## HIGHLIGHTS

Broadridge delivered on its commitment to facilitate corporate governance and to keep important communications and information moving safely and efficiently under conditions this season that were more demanding than any other due to the COVID-19 pandemic. I am pleased to report that voting participation was the highest that it has been in 14 seasons, reaching an average voting quorum of 87.5% for the 419 billion shares we processed (inclusive of “broker votes”). Digital delivery also rose to new heights, hitting a record high of 81% of the positions we processed, and this resulted in significant paper and postage cost savings for issuers, fund companies, and their shareholders. Moreover, with little notice in most cases, Broadridge ramped up its virtual shareholder meeting service to support 1,494 issuers and funds in holding their meetings online, a five-fold increase over the same period last year. Throughout the season, we continued to invest in technologies, processing, and improvements to drive more value for you, while keeping our associates safe.

## COST SAVINGS

The investments Broadridge has made over the years in technology, processing, and intellectual capital – with and on behalf of issuers, fund companies, custodian banks, and broker-dealers – proved their resiliency and mettle. With 81% of the paper taken out of the system this season (as a result of householding, e-delivery, and managed account consolidations), issuers and fund companies saved an estimated \$1.8 billion on printing and postage costs in comparison to mailing proxy packages. This is up from 55% with savings of \$445 million in 2010.

## HIGH LEVELS OF VOTING PARTICIPATION

Although the number of meetings was down this season due to pandemic related postponements, voting improved to 87.5% of the shares we processed. This is the highest average quorum level in 14 proxy seasons. This figure is comprised of 72.2% of instructed votes and 15.3% of uninstructed broker votes. We also saw continued high rates of voting of shares in managed accounts at 95%.

## TECHNOLOGY UTILIZATION

All electronic deliveries this season were sent within 24 hours of approval by issuers. A record 97% of the ‘voted shares’ were cast electronically through our digital platforms including ProxyEdge, proxyvote.com, mobileproxyvote.com, Investor Mailbox, automated voice response, reimagined emails with single click access to voting, and apps provided or enabled by us. This season over 3 million retail positions were voted on our mobile platform, a new record. Our global data centers and most of our business activities are managed securely, effectively, and remotely by individuals and teams working from their homes.

## RESILIENCY

The peak of the proxy season also coincided with the peak of the pandemic in the New York Metropolitan area, where our largest proxy production facilities are located. In order to keep our on-site associates safe, we implemented CDC, state, and local safety guidelines and many additional protocols to ensure their well-being. The safety protocols included, among others, reducing mail production capacity to under 50%, redesigning workflows for greater social distancing, moving production volumes to facilities in geographic areas less impacted by the pandemic, providing personal protective equipment both at work and from home, expanding sick leave benefits, stepping up cleaning, and taking the temperature of individuals entering our facilities. We encouraged associates to stay home if they or someone close to them is feeling ill, or if they are simply uncomfortable coming to work. We guaranteed jobs for our production associates on their return to work. Non-production staff began to work from home on March 18.

Throughout the season, Broadridge kept the SEC and other regulators informed of our production status, including longer mail turnaround times, and we assisted issuers and funds in implementing the SEC's timely and helpful guidance on the delivery of physical materials and on use of online shareholder meetings. The guidance enabled Broadridge to "default" a very small portion of mailed proxy distributions to the "notice & access" delivery method, and to fulfill investor requests for full packages of proxy materials in ways that kept our associates safe.

Other guidance gave several dozen issuers more time to include "uninstructed broker votes" on routine proposals in their vote reporting and thereby provided a way to avoid postponing their meetings.

### COMMITMENT TO INNOVATION

Throughout the proxy season, Broadridge continued to make investments in innovations to drive greater shareholder engagement and greater cost savings on paper and postage. Examples include the following, among others:

- Reimagined email messages replaced 71% of standard email templates this season. Voting participation at brokers that provided the new email template increased an average of 25% over their voting last season. The new emails improve the user interface and eliminate friction that "pin" requirements created in accessing proxy materials and voting.
- Our mobile app for proxy voting, with over 35 thousand downloads, was enhanced so that users can link multiple accounts and receive alerts for upcoming meetings.
- APIs for *Investor Mailbox* and *Proxy Policies Insights* were enhanced to integrate proxy filing data.
- A redesigned proxy notice with QR codes will be rolled out this fall. QR codes provide easy access by eliminating the friction associated with keying in a lengthy control number.
- End-to-end vote confirmation was provided to 101 issuers for whom we acted as tabulator this season. Protocols for reconciling voting entitlements in advance of meetings were validated once again for all industry participants who chose to apply them.
- Broadridge's Shareholder Disclosure Hub was developed using blockchain technology to assist custodian banks and other intermediaries in complying with obligations under the Shareholder Rights Directive (SRD II) that goes into effect on September 3.
- The pandemic accelerated an adoption trend that was already underway with virtual shareholder meetings. After steady annual increases during the past decade, the number of VSMs jumped significantly this season to 1,494 meetings, a near five-fold increase over last season. We trained over 100 associates to support VSMs and we made significant investments in systems, network capacity, and cyber security. Voting participation overall among companies as a group that utilized our VSM at 71% exceeded overall voting participation levels at companies that did not provide a VSM (63.6%).\*

\*Participation rates do not include the broker discretionary vote.

### PERFORMANCE ON MEASUREMENT CRITERIA

An Independent Steering Committee (comprised of representatives of institutional investors, corporate issuers, custodian banks and broker dealers) periodically establishes metrics for service quality and regularly monitors our performance. The Committee rated our performance as 7.3 on a scale of 8.0. In comparison to near-perfect scores in prior seasons, the difference this season was due to our changing the production queue to facilitate voting during the pandemic and to actions we took to keep our staff safe. In normal times, production scheduling is driven by when issuers' proxy materials arrive at our door. This season we managed the queue based on shareholder meeting dates. This switch enabled the greatest number of shareholders to have the most time to read proxy materials and to vote, while keeping our staff safe. The change also lengthened the average number of days between physical material receipt and distribution from 2.06 last season to 3.46 this season. The Committee assesses Broadridge's performance on this metric based on a 3-day standard. (The regulatory requirement is for turnaround within 5 business days.) All electronic distributions were made within 24 hours, many within 8 hours.

Our goal is to provide high-quality, cost-effective solutions by working with all constituents to meet the ever-changing needs and requirements of shareowner communications and proxy vote processing. Your comments are important to identify opportunities for further improvements.

Please email [proxysessionstats@broadridge.com](mailto:proxysessionstats@broadridge.com) if you have any questions or suggestions. During this difficult time, we appreciate more than ever the opportunity to work with you and look forward to hearing from you.

Sincerely,



Bob Schifellite  
President, Broadridge Investor Communication Solutions

# Key Statistics and Performance Rating

## Proxy Distribution Statistics: 02/15/20- 06/30/2020

	2020	2019
Proxy Jobs Distributed	3,714	4,216
Shares Processed	419	468 Billion
Average Days Between Material Receipt & Physical Distribution Date	3.46	2.06
Percentage of Shares Processed by Broadridge that were Voted	87.5	85.1

## Physical Mailings Eliminated: 81% of all Mailings Were Eliminated This Proxy Season

SUPPRESSION CATEGORY (AS A PERCENTAGE OF TOTAL SUPPRESSIONS)	2020	2019
Specialized Account Processing*	56%	55%
Household Accounts	1%	2%
ProxyEdge	5%	5%
Internet Delivery	38%	38%
<b>Total</b>	<b>100%</b>	<b>100%</b>

\*Represents account suppressions resulting from Broadridge customized processing applied to Broker/Bank supplied data for account consolidations (e.g., managed accounts)

## Estimated Savings to Issuers Based on Use of Full Sets of Materials

	Savings**
Specialized Account Processing	\$997,861,342
Household Accounts	\$22,493,158
ProxyEdge	\$86,471,473
Internet Delivery	\$677,274,498

\*\*The estimated savings is based on information from the National Investor Relations Institute (Biennial Report Survey, December 2010) and USPS rates. NIRI estimates a median unit cost of \$4.82 for printing. Postage is calculated at \$2.04 and is based on Broadridge actual data. Estimates based on full set delivery.

**\$1,784,100,471**  
Total Estimated Savings

## Vote Return Analysis — By Job Size: Proxy Season

JOB SIZE BY NUMBER OF ACCOUNTS	NUMBER OF JOBS	TOTAL SHARES PROCESSED	SHARES RETURNED %	BROKER VOTE %	TOTAL VOTED % (AVG QUORUM)
<1,000	609	3.9	57.9%	8.0%	65.9%
1,000 - 4,999	746	14.3	61.9%	19.6%	81.5%
5,000 - 9,999	512	19.8	64.2%	18.1%	82.3%
10,000 - 49,999	1,057	83.6	71.9%	15.6%	87.5%
50,000 - 149,999	406	63.3	74.7%	12.9%	87.6%
150,000 - 299,999	165	37.1	75.6%	12.2%	87.8%
300,000+	219	197.3	72.7%	16.0%	88.7%
<b>Total</b>	<b>3,714</b>	<b>419.3</b>	<b>72.2%</b>	<b>15.3%</b>	<b>87.5%</b>
Prior Year Total	4,216	468.4	69.2%	15.9%	85.1%

## Vote Return Analysis — By Ballot Size: Proxy Season *(Share Amounts in Billions, except Ballot Share Amount)*

BALLOT SHARE AMOUNT	TOTAL SHARES PROCESSED	TOTAL SHARES RETURNED	SHARES RETURNED AS A % OF PROCESSED
<1,000	22.2	14.4	64.9%
1,000 - 4,999	26.0	10.8	41.5%
5,000 - 9,999	12.8	6.00	46.9%
10,000 - 49,999	40.5	23.7	58.5%
>50,000	313.2	247.9	79.2%
<b>Total</b>	<b>414.7</b>	<b>302.8</b>	<b>73.0%</b>
Prior Year Total	466.7	324.2	69.2%

## Vote Return Analysis — By Channel: Proxy Season *(Share Amounts in Billions, except Ballot Share Size)*

CHANNEL		■ ELECTRONIC VOTING PLATFORMS ■							
		PAPER		TELEPHONE		PROXYEDGE		PROXYVOTE.COM*	
Ballot Share Amount	Total Shares Returned	Shares Returned Total	%	Shares Returned Total	%	Shares Returned Total	%	Shares Returned Total	%
<1,000	14.4	0.6	4.2%	0.1	0.7%	11.5	79.9%	2.2	15.3%
1,000 - 4,999	10.8	1	9.3%	0.2	1.9%	6.8	63.0%	2.8	25.9%
5,000 - 9,999	6.00	0.4	6.7%	0.1	1.7%	4.3	71.7%	1.2	20.0%
10,000 - 49,999	23.7	0.9	3.8%	0.1	0.4%	19.9	84.0%	2.8	11.8%
>50,000	247.9	6.6	2.7%	0.2	0.1%	215.9	87.1%	25.2	10.2%
<b>Total</b>	<b>302.8</b>	<b>9.5</b>	<b>3.1%</b>	<b>0.7</b>	<b>0.2%</b>	<b>258.4</b>	<b>85.3%</b>	<b>34.2</b>	<b>11.3%</b>
Prior Year Total	324.2	16.5	5.1%	1.0	0.3%	268.9	82.9%	37.8	11.7%

Shares returned as percentage of total shares returned by Ballot Share Amount. Telephone, ProxyEdge, and ProxyVote.com voting accounted for 293.3 billion shares - nearly 97% of all shares returned. \*ProxyVote.com includes votes received via mobile proxyvote.com. Differences due to factors such as rounding and timing of data aggregation.

**96.86%**  
Shares e-Voted

# Key Statistics and Performance Rating

## 2020 Proxy Season: Trends

- 81% of all physical mailings were eliminated as a result of Broadridge's technologies and "preference" processing for householding, e-delivery and managed accounts.
- Average quorum overall was up this season, at 87.5%. This is the highest average quorum level in 14 proxy seasons.
- 1,494 meetings were held online using our virtual shareholder meeting solution ("VSM"), an increase of around 500% over the same period last year.
- E-delivery of retail positions continues to grow and reached an all-time high of over 98 million positions.
- Of the shares voted through Broadridge, 97% were voted electronically through ProxyEdge, ProxyVote.com and the automated voice response system.

## Quality of Service: Proxy Season

### Independent Steering Committee Measurement Criteria\*

CATEGORY	Weight Factor	2020 AVERAGE POINTS FOR SEASON
Generation of Material Request	10%	8.00
Distribute Vote Info	10%	5.03
Electronic Distribution of Vote Info	10%	8.00
Electronic Delivery for PE	10%	8.00
Material Shortages	10%	8.00
Fulfillment of Material to Beneficial Owners	10%	4.67
Vote Tabulating	15%	8.00
Electronic Tabulation of Voting Instructions	15%	8.00
Vote Reporting	10%	8.00
<b>Overall Weighted Rating</b>	<b>100%</b>	<b>7.37</b>

#### System:

- 8 Excellent
- 6 Good
- 4 Acceptable
- 2 Poor
- 0 Unacceptable

\* Representatives from the Broker, Bank, Issuer and Institutional User Groups developed criteria by which to measure the overall service quality of Broadridge. Criteria are measured and reported by Broadridge and verified independently by a third party.

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