

Yes, retail engagement matters.

Five ways Corporate Issuers are transforming shareholder engagement and participation.

1. DATA DRIVEN SHAREHOLDER ENGAGEMENT

Engaging with retail shareholders starts with understanding who they are. New tools enable better analysis of shareholders' information needs and voting habits, so that companies can better tailor communications and ensure they are cost-effective at the same time. Analytics and visualization tools can project how voting might turn out, giving companies advance warning of potential deficiencies in their communications, and enables them to refine their outreach strategy.

2. ENHANCED COMMUNICATIONS GET THE MESSAGE OUT.

One thing we know for sure: Plain proxy statements often go unread. For a few years now, some corporate issuers have been using enhanced proxies, replete with visuals and engaging content, to encourage shareholders to participate. Enhanced packaging, which includes adding visual elements to the envelope or displaying targeted messages through clear packaging, can boost open rates and generate a better response. Incentivizing shareholders with Vote Thank You programs can further improve participation.

multi-channel shareholder engagement is the future. The key is to leverage the full arsenal, including social media, virtual shareholder meetings and mobile voting.

3. SOCIAL MEDIA OUTREACH INCREASES ENGAGEMENT AND BRAND INTERACTION.

According to the Pew Research Center, roughly two-thirds of U.S. adults (68%) now report that they are regular Facebook users. Platforms like Facebook contain a vast, mostly-untapped reservoir of potential shareholders issuers can target with pinpoint accuracy (thanks to extremely rich user analytics).

Sophisticated proxy campaigns use social media to tailor communications to specific shareholder segments. For example, a campaign might focus on shareholders with more significant share holdings and modify messages based on demographic factors, such as gender or location. Facebook is shown to be especially effective at reaching wealthier, older, college-educated investors.

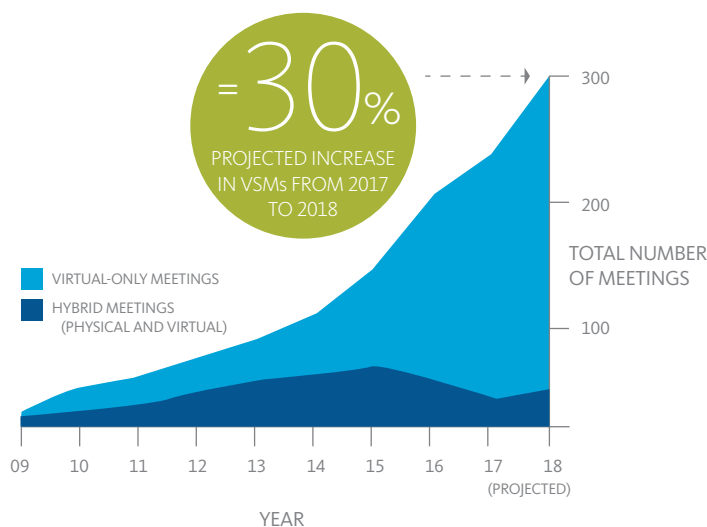
The biggest advantage: Social media is a cost-effective way to engage on a long-term basis—not just during proxy season. Likes and shares represent powerful tools to boost ongoing brand loyalty and visibility.

4. VIRTUAL SHAREHOLDER MEETINGS INCREASE ACCESS AND PARTICIPATION.

Another tool gaining traction is the virtual shareholder meeting (VSM). VSMs employ advanced technology that enables boards to host annual meetings on web-based platforms. Virtual meetings operate just like traditional shareholder meetings except that board members and executive leadership don't convene in a physical location.

New regulations, improved technologies, and broadband Internet speeds have made it easier than ever for organizations to transition to virtual formats. Thirty states currently allow virtual-only shareholder meetings; twelve permit the hybrid format (i.e., holding a physical meeting that is also broadcast virtually); and nine prohibit VSMs. As a result, VSM use has significantly increased since it was introduced in 2009.

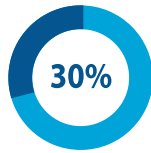
THE RISE OF THE VIRTUAL-ONLY SHAREHOLDER MEETING



Of course, it's not just about print. Today, best practices suggest supporting traditional, paper-based communications with more engaging assets, such as video, as well as next-gen digital tools, like interactive proxies, to improve outcomes and lower overall costs. Industry leaders are finding that synchronized

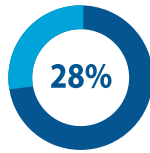
HIGHER PARTICIPATION FROM RETAIL INVESTORS WILL MORE ACCURATELY REFLECT THE SENTIMENT OF ALL SHAREHOLDERS

WHY RETAILS?



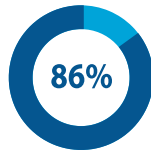
of a company's beneficial shares are held on average by retail individual shareholders

ARE THEY PARTICIPATING?



of these shares held by retail shareholders are voted

FRIENDLY TO MANAGEMENT?



of beneficial retail shareholders voted in favor of "Say on Pay"

WHY DOES IT MATTER?

When you have a potential close vote, higher participation from retail investors can make the difference.

A Fortune 500 company working with Broadridge saw retail voting participation increase by 50% after using data and technology to engage with shareholders.

Expect the upward trend to continue as participants get more comfortable with the virtual format and as stakeholders recognize the benefits, which include:

- **Accessibility.** VSMs enable boards to boost participation, maximize transparency, and provide greater opportunity for every shareholder to contribute. Many retail investors prefer the convenience of a VSM, as it alleviates the need to travel.
- **Relevance.** Some directors believe that VSMs can generate an innovative, forward-thinking brand image. In a technology-driven world, VSMs convey digital savvy.
- **Efficiency.** VSMs streamline the proceedings and save costs associated with planning and coordinating a physical event.

5. MOBILE VOTING MAXIMIZES CONVENIENCE FOR SHAREHOLDERS.

Consumer expectations are changing as fast as technology itself. Everything must be quicker, easier, more intuitive. Shareholders want the same kind of experience they're getting everywhere else. So, in order to maximize participation, issuers must make it easier and more convenient to vote.

Digital access is a key piece of the puzzle. Based on our analysis of the beneficial (i.e., "street name") proxy communications processing and voting for the 4,108 shareholder meetings that occurred between February 15 and June 29, 2018:

- 76% of all positions were marked for e-delivery, up from 75% last proxy season
- 95% of shares were voted electronically
- 1.89 million retail positions were voted via a mobile device, up from 1.7 million last proxy season
- 2 million+ positions were cast directly through brokerage firm websites, up from 1.8 million last proxy season

To further accelerate digital adoption, Broadridge has built a unique API, (application program interface) that brokers and intermediaries can use to make the voting process easier for shareholders. Instead of receiving proxies by mail the old-fashioned way, shareholders can simply log in to their broker's app to view regulatory documents, corporate actions and vote entitlements. Alerts and notifications remind shareholders to vote. Then, voting itself involves only a few swipes and clicks within the app.

Ultimately, transforming retail engagement involves a get-in-front approach. Corporations work to get in front of the market by standing out and finding ways to distinguish their brand. They also look to get in front of investors with powerful communications and convenient voting options. Finally, they aim to get in front of innovation, putting tomorrow's technologies to work today.

More than half of all retail shares can now be reached electronically through broker-dealer communications platforms and digital channels. Corporations are only just beginning to unlock that potential.

broadridge.com
+1 844 364 4966

