

# 2019 Proxy Season Key Statistics and Performance Rating

Broadridge is pleased to report key statistics and performance ratings for the 2019 proxy season. This report analyzes the beneficial (i.e., “street name”) proxy communications processing and voting for the 4,216 shareholder meetings that occurred between February 15 and June 30, 2019.

## SHAREOWNER COMMUNICATION PROCESSING

This season we processed over 468 billion shares (held in 311 million votable positions) and the average quorum rose to 85.1% from 82.3% the prior season. As a result, many issuers avoided additional expenditures on solicitation. (“Broker votes,” i.e., shares voted at the discretion of broker dealers when voting instructions are not received by their client account holders, held steady at 15.9%.)

Ninety-five percent of the shares cast through us were voted electronically either via ProxyVote.com (our platform for retail shareholders), ProxyEdge (our communications and voting platform for institutional shareholders and financial advisers), or our automated voice response system. This season over 2.7 million retail positions were voted via MobileProxyVote.com, and over 2 million positions were cast via Investor Mailbox (directly from brokerage firms’ websites). These technologies provide additional voting conveniences to retail shareholders, and the totals are new record highs for a proxy season.

## TECHNOLOGY UTILIZATION

Broadridge’s investments in technology (with and on behalf of our bank and broker clients) continue to have a positive impact on shareholder engagement and to provide large and growing paper, printing and postage cost savings to issuers and mutual funds. Several highlights are as follows:

- Earlier this season, we announced our new “app” for retail shareholders to exercise their vote.
- Our newly enhanced Investor Mailbox “API” integrates proxy information and voting into broker-dealers’ websites and their mobile apps as well.
- Enhanced email templates, for proxy and interim distributions, show early signs of improving the investor experience. In comparison to last season, the number of positions voted from e-deliveries increased by 58% at brokers that piloted “version 3.0” emails. The new emails improve the user interface and eliminate friction that “pin” requirements create in accessing proxyvote.com and the Investor Mailbox.
- The number of Virtual Shareholder Meetings (at 248) rose by 33%, as more issuers chose to provide their shareholders with the conveniences of online participation.
- In the 12 months ending June 30, 2019, we provided registered shareholder communications services directly to over 2,500 corporate issuers, and we assisted many of them in better understanding and engaging their entire shareholder population.



In January, Broadridge and its joint venture partner (Investor Communications Japan) announced a successful test of distributed ledger technology (“DLT”) for proxy communications and voting in the Japanese market. This “blockchain” proof of concept showed that complex reconciliation processes can be reduced or eliminated.

In June, we announced that our European Union shareholder disclosure platform is being developed using DLT. It will enable financial intermediaries to fulfill disclosure obligations related to the European Commission’s updated Shareholder Rights Directive.

## COST SAVINGS

Over the proxy season, record cost savings efficiencies were attained for issuers and mutual funds: the need to send physical mail was eliminated for 79% of all accounts processed by Broadridge, up from 76% last season. Broadridge’s technologies and processing for e-delivery, householding and account consolidations — together with and on behalf of bank and broker clients — saved corporate issuers and mutual funds over \$1.7 billion on paper, printing and postage in comparison to what they would have spent had all materials been mailed as full sets. Electronic deliveries rose by over 10 million positions over last season.

## EFFICIENCY AND CLIENT SERVICE

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 metrics exceed standards of applicable proxy regulations.) This season we attained a near perfect score of 7.99 on a scale of 8.0. Investments in systems and operations continue to keep turnaround times below levels required by the proxy rules, resulting in longer solicitation periods. The average number of days between physical material receipt and distribution remained low at 2.06. Virtually all electronic distributions were made within 24 hours, many within 8 hours.

Our goal is to provide high-quality, cost-effective service 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 [proxyseasonstats@broadridge.com](mailto:proxyseasonstats@broadridge.com) if you have any questions or suggestions. We appreciate 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: 02/15/19- 06/30/2019

	2019	2018
Proxy Jobs Distributed	4,216	4,108
Shares Processed	468 Billion	482 Billion
Average Days Between Material Receipt & Physical Distribution Date	2.06	1.76
Percentage of Shares Processed by Broadridge that were Voted	85.1	82.3%

## Mailings Eliminated: 79% of all Mailings Were Eliminated This Proxy Season

SUPPRESSION CATEGORY (AS A PERCENTAGE OF TOTAL SUPPRESSIONS)	2019	2018
Specialized Account Processing*	55%	51%
Householded Accounts	2%	2%
ProxyEdge	5%	6%
Internet Delivery	38%	42%
<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: Proxy Season

	Savings**
Specialized Account Processing	\$939,567,448
Householded Accounts	\$30,712,455
ProxyEdge	\$90,831,229
Internet Delivery	\$640,475,076

\*\*The estimated savings is based on the most recent 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 (including forms/envelopes) is calculated at \$2.14 and is based on Broadridge actual data. Estimates based on full set delivery.

**\$1,701,586,208**  
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	819	6.0	54.0%	10.7%	64.7%
1,000 - 4,999	875	16.4	61.3%	21.6%	82.9%
5,000 - 9,999	551	22.1	62.8%	18.1%	80.9%
10,000 - 49,999	1,167	94.6	68.7%	13.1%	81.8%
50,000 - 149,999	433	72.9	71.4%	15.1%	86.5%
150,000 - 299,999	166	41.4	75.2%	11.8%	87.0%
300,000+	205	215.0	69.2%	17.6%	86.8%
<b>Total</b>	<b>4,216</b>	<b>468.4</b>	<b>69.2%</b>	<b>15.9%</b>	<b>85.1%</b>
Prior Year Total	4,108	482.5	66.4%	15.9%	82.3%

## 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	25.1	15.7	62.5%
1,000 - 4,999	33.6	14.5	43.2%
5,000 - 9,999	16.4	7.6	46.3%
10,000 - 49,999	47.6	27.3	57.4%
>50,000	344.0	259.1	75.3%
<b>Total</b>	<b>466.7</b>	<b>324</b>	<b>69.5%</b>
Prior Year Total	483	320	66.4%

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

CHANNEL	PAPER	ELECTRONIC VOTING PLATFORMS							
		TELEPHONE		PROXYEDGE		PROXYVOTE.COM*			
Ballot Share Amount	Total Shares Returned	Shares Returned Total	Shares Returned %	Shares Returned Total	Shares Returned %	Shares Returned Total	Shares Returned %	Shares Returned Total	Shares Returned %
<1,000	15.7	1	6.4%	0.1	0.6%	12.3	78.3%	2.3	14.6%
1,000 - 4,999	14.5	2.1	14.5%	0.3	2.1%	8.8	60.7%	3.3	22.8%
5,000 - 9,999	7.6	1	13.2%	0.1	1.3%	5.1	67.1%	1.4	18.4%
10,000 - 49,999	27.3	2.3	8.4%	0.2	0.7%	21.4	78.4%	3.4	12.5%
>50,000	259.1	10.1	3.9%	0.3	0.1%	221.3	85.4%	27.4	10.6%
<b>Total</b>	<b>324.2</b>	<b>16.5</b>	<b>5.1%</b>	<b>1.0</b>	<b>0.3%</b>	<b>268.9</b>	<b>82.9%</b>	<b>37.8</b>	<b>11.7%</b>
Prior Year Total	320	14.7	4.6%	1.0	0.3%	268.4	83.9%	36.3	11.3%

Shares returned as percentage of total shares returned by Ballot Share Amount. Telephone, ProxyEdge, and ProxyVote.com voting accounted for 307.7 billion shares - 95% of all shares returned. \*ProxyVote.com includes votes received via mobile proxyvote.com. Differences due to rounding.

**95%**  
Shares e-Voted

# Key Statistics and Performance Rating

## 2019 Proxy Season: Trends

- 79% 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 85.1%.
- E-delivery of retail positions continues to grow and reached an all-time high of over 92 million positions.
- Of the shares voted through Broadridge, 95% 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	2019 AVERAGE POINTS FOR SEASON
Generation of Material Request	10%	8.00
Distribute Vote Information	10%	7.87
Electronic Distribution of Vote Information	10%	8.00
Electronic Delivery for Proxy Edge	10%	8.00
Material Shortages	10%	8.00
Fulfillment of Material to Beneficial Owners	10%	8.00
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>7.99</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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