

2018 Proxy Season Key Statistics and Performance Rating

Broadridge is pleased to report key statistics and performance ratings for the 2018 proxy season. This report analyzes 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.

SHAREOWNER COMMUNICATION PROCESSING

This season we processed over 259 million votable positions. Voting participation at equity operating companies was high at 87.4%, thereby saving many issuers additional expenditures on solicitation. Voting participation overall, at 82.3%, was lower this season than last season when factoring in several large mutual fund meetings where retail voter turnout is typically lower. These figures represent voted shares as a percentage of shares owned and they include the “broker vote” for shares where brokers did not receive specific instructions from account holders.

TECHNOLOGY UTILIZATION

Broadridge’s investments in technology continue to have a positive impact on shareholder engagement and to drive additional cost savings to issuers and mutual funds. Over 95% of the voted shares were cast electronically via ProxyVote.com (our platform for retail shareholders), and ProxyEdge (our communications and voting platform for institutional shareholders and financial advisers), and by automated voice response. During the season, over 1.89 million retail positions were voted via Mobile ProxyVote.com and over 2 million positions were cast via Investor Mailbox,¹ directly from brokerage firms’ websites. These are record highs for a proxy season.

Broadridge continues to provide new tools for issuers to better understand and engage their entire shareholder population. In addition to providing services to custodian banks and broker-dealers, we also provided services directly to approximately 2,200 corporate issuers for their registered shareholders this past fiscal year. We crossed a milestone this season by hosting the 1000th Virtual Shareholder Meeting, as increasing numbers of issuers now provide their shareholders with the convenience of online meeting participation. Our Shareholder Data Service provides issuers with a multidimensional view of their entire shareholder population so that they can fine-tune their solicitation strategies. Our technologies continue to expand with updates to ICS Online (which brokers and issuers use to monitor communications and voting), a new simplified Vote Instruction Form (to be released by year end), and seven pilots for issuers using social media to encourage voting.

Broadridge completed a second Proof of Concept for Global Proxy using blockchain technology for Banco Santander’s meeting in March, 2018 and we ran a “parallel” blockchain solution with an expanded number of market participants (Santander, Northern Trust, JPMorgan, two other leading custodians, and their institutional investors). This included end-to-end vote confirmation. Broadridge also deployed a blockchain-based U.S. proxy platform in December, 2017, and successfully processed



three U.S. equity meetings during the proxy season. In May, we were granted a patent for blockchain technology that enhances processes for both proxy voting and repurchase (i.e., “repo”) agreements.

COST SAVINGS

A record was attained this year by eliminating the need to mail paper materials to 76% of all accounts processed, based on shareholder preferences (up from 75% last proxy 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 \$1.3 billion on printing and postage this season compared to what they would have spent had all materials been mailed as full sets. Electronic delivery (i.e., internet delivery) accounted for 42% of the preferences we processed.

EFFICIENCY AND CLIENT SERVICE

We attained a near perfect 7.98 score, out of 8.0, on “Quality of Service” metrics set by the Independent Steering Committee, which has representatives of banks, brokers, issuers and institutional investors. 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 was reduced to 1.76. 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 if you have any questions or suggestions. We appreciate the opportunity to work with you.

Sincerely,



Bob Schifellite
President, Broadridge Investor Communication Solutions

¹Investor Mailbox is Broadridge’s solution for broker-dealers that wish to provide Enhanced Broker Internet platforms (“EBIP”), as defined by the NYSE.

Key Statistics and Performance Rating

Proxy Distribution Statistics: 2/15/18 - 6/29/18

	2018	2017
Proxy Jobs Distributed	4,108	4,094
Shares Processed	482 Billion	437 Billion
Average Days Between Material Receipt & Physical Distribution Date	1.76	2.12
Percentage of Shares Processed by Broadridge that were Voted	82.3%	85.4%

Mailings Eliminated: 76% of all Mailings Were Eliminated this Proxy Season

SUPPRESSION CATEGORY (AS A PERCENTAGE OF TOTAL SUPPRESSIONS)	2018	2017
Specialized Account Processing*	51%	49%
Householded Accounts	2%	4%
ProxyEdge	6%	6%
Internet Delivery	42%	41%
Total	100%	100%

*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	\$680,190,088
Householded Accounts	\$21,978,528
ProxyEdge	\$81,308,431
Internet Delivery	\$561,983,877

* 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.

\$1,345,460,924
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	805	5.7	55.1%	10.5%	65.6%
1,000 - 4,999	807	22.3	56.0%	28.8%	84.8%
5,000 - 9,999	619	22.9	66.4%	18.4%	84.8%
10,000 - 49,999	1,156	95.8	66.9%	19.7%	86.6%
50,000 - 149,999	414	69.1	74.2%	14.3%	88.5%
150,000 - 299,999	139	82.7	49.3%	8.4%	57.7%
300,000+	168	184.0	72.5%	16.2%	88.7%
Total	4,108	482.5	66.4%	15.9%	82.3%
Prior Year Total	4,094	436.8	70.0%	15.4%	85.4%

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	22.9	12.7	55.5%
1,000 - 4,999	29.2	11.9	40.8%
5,000 - 9,999	13.9	6.5	46.8%
10,000 - 49,999	42.4	25.1	59.2%
>50,000	374.4	264.2	70.6%
Total	483	320	66.4%
Prior Year Total	434	306	69.3%

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 %	Shares Returned Total	Shares Returned %	Shares Returned Total	Shares Returned %	
<1,000	12.7	0.9	7.1%	0.2	1.6%	9.5	74.8%	2.1	16.5%
1,000 - 4,999	11.9	1.7	14.3%	0.3	2.5%	7	58.8%	2.9	24.4%
5,000 - 9,999	6.5	0.7	10.8%	0.1	1.5%	4.5	69.2%	1.2	18.5%
10,000 - 49,999	25.1	1.5	6.0%	0.2	0.8%	20.8	82.9%	2.6	10.4%
>50,000	264.2	9.9	3.7%	0.2	0.1%	226.6	85.8%	27.5	10.4%
Total	320	14.7	4.6%	1	0.3%	268.4	83.9%	36.3	11.3%
Prior Year Total	306.2	14.9	4.9%	1.1	0.4%	257.4	84.1%	32.8	10.7%

Shares returned as percentage of total shares returned by Ballot Share Amount. Telephone, ProxyEdge, and ProxyVote.com voting accounted for 305.7 billion shares — over 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

2018 Proxy Season: Trends

- 76% of all physical mailings were eliminated as a result of Broadridge technologies for householding, e-delivery, and managed account processing.
- The estimated savings to issuers this season was over \$1.3 billion in comparison to the estimated costs of printing and mailing full packages.
- Average quorum overall was high, at 82.3%. Excluding mutual fund meetings, the average quorum was 87.4%.
- E-delivery of retail positions continues to grow and reached an all-time high of over 81.9 million positions.
- Of the shares voted through Broadridge, over 95% were voted electronically through ProxyEdge, ProxyVote.com, and the automated voice response system.
- Continued investments in innovation have led to a record number of Virtual Shareholder Meetings, with over 209 virtual meetings held in the first 6 months of this year, and over 1.89 million votes cast through Mobile ProxyVote.com, another record for the proxy season.

Quality of Service: Proxy Season

Independent Steering Committee Measurement Criteria*

CATEGORY	Weight Factor	2018 AVERAGE POINTS FOR SEASON
Generation of Material Request	10%	8.00
Distribute Vote Information	10%	7.82
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
Overall Weighted Rating	100%	7.98

Daily Rating 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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