

More access. Less risk.

Top five considerations for choosing a VSM partner

The Coronavirus (COVID-19) health crisis is requiring many public companies to move their in-person annual shareholder meeting to a virtual format. Virtual shareholder meetings (VSMs) are designed to operate just like a traditional shareholder meeting except that management, board members, and shareholders don't convene in a physical location.

But not all VSMs are built the same.

VSMs involve much more than a webinar or telecast. You can't just setup a video feed and some polling options. In this time of economic uncertainty, you need to maximize access and ensure your shareholders have the ability to vote and ask questions at the meeting. There's a lot at stake, and it's imperative to get it right.

Here are the top five considerations when choosing a VSM partner.

#1 STREAMLINE ACCESS

Shareholders shouldn't need to jump through hoops to get into the meeting. Make sure your partner can execute the simplest process possible. It should only be two steps:

- Enter the URL
- Then enter the control number that can be found in the proxy materials

That's it. Easier access means wider access—and a more successful meeting.

#2 ACCELERATE THE TRANSITION TO VIRTUAL

SEC guidance provides that you can announce a change to a VSM with no need to send additional proxy materials as long as you:

- Issue a press release announcing the change
- File that announcement with the SEC
- Notify intermediaries and other relevant parties in the proxy process of the change

Beyond that, nothing is required except changing a physical address to a URL.

Look for a partner who can help you switch to virtual in only a few days. If you find you need to coordinate several partners and create several new communications, you're doing too much—and it's going to delay the transition.

#3 AUTHENTICATE YOUR SHAREHOLDERS

Your VSM partner should have a reliable mechanism to authenticate all your shareholders. Consider that most of your shareholders are likely "beneficial" shareholders whose shares are held "in street name." Work with a partner who has complete visibility into that group and can seamlessly manage your entire shareholder population.



#4 EXECUTE BEST PRACTICES

Some shareholder advocates worry that VSMs deter participation and reduce board accountability that often comes with face-to-face interactions. However, the right partner can help you actually increase participation by providing more convenient access to a wider group of shareholders.

Look for a partner who can help you:

- Effectively communicate with shareholders in advance of the meeting
- Provide ways for them to submit questions (pre-meeting, text box or phone) and vote
- Establish rules to ensure that everyone can fully participate

#5 RIDE ON A PROVEN TRACK RECORD

Although several providers have made new virtual meetings available, only a few have proven track records. Make sure you find a partner you can trust. At this moment, in this climate, you can't afford to take risks.

Broadridge has successfully managed over 1,500 VSMs in the past few years. We operate at the center of a vast proxy network with significant access to beneficial shareholder data. Our position at the center of the proxy process and purpose-built VSM technology enable us to seamlessly transition you from an in-person to virtual meeting—sometimes in as little as two weeks.



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