

# Does your proxy include an Increase in Common Stock or a Reverse Stock Split proposal?

## RULINGS OF COMMON STOCK INCREASES AND REVERSE STOCK SPLITS

Does your proxy include an Increase in Common Stock or a Reverse Stock Split proposal? The determination to allow brokers to exercise their discretion to vote uninstructed shares on Routine proposals is made based on, and with guidance from, NYSE Rule 452. Only the NYSE has authority to allow or disallow their member firms to vote in their discretion based on the proposal type and mailing guidelines. Broadridge is guided by the NYSE and will make the Routine vs. Non Routine determination on behalf of our brokers' clients based solely on guidance from the regulatory organization.

If you have an Increase in Common Stock, or a Reverse Stock Split proposal it is important to check with the NYSE to determine if they consider the proposal routine or non-routine prior to printing your proxy statement.

Normally, these proposals would be coded as Routine. However, they are considered Non-Routine if they relate to another transaction such as a merger. The NYSE will be able to confirm what designation you should use; even if you are not an NYSE member firm.

In certain instances, issuers have published guidance in their proxy statement related to the ability of brokers to vote in their discretion that conflicts with the NYSE Rules or guidance. When the proxy statement is mailed to shareholders containing this conflicted guidance, we are aware of instances that issuers have become the subject of legal action by shareholders. These actions in some cases have resulted in the need to re-solicit the vote for the impacted proposal(s).

By reviewing the proposal(s) with the NYSE directly, or through Broadridge, you can avoid additional costs, delays and possible legal consequences. If you would like Broadridge to reach out to the NYSE on your behalf, please let me know, we are happy to assist.

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