

# 2017 Proxy Season Key Statistics & Performance Rating

Broadridge is pleased to report key statistics and performance ratings for the 2017 proxy season. This report analyzes beneficial (i.e., “street name”) proxy communications processing and voting for 4,094 shareholder meetings with distributions between March 1 and June 18, 2017.

## Shareowner Communication Processing

In comparison to last season, there was a significant increase in the number of positions processed due to increases in stock record growth and meetings of mutual funds. Technologies in place for electronic delivery, householding, and account consolidations resulted in a decrease in the percentage of proxies that were physically distributed, and therefore, issuers realized record cost savings this season on printing and postage—approximately \$1.4 billion in comparison to the cost of mailing full sets.

Voting participation increased this season to 85.4% of the shares owned (including the broker vote) thereby saving many issuers additional expenditures on solicitation. The percentage of “shares returned” (excluding the broker vote) continues to grow, increasing from 69% last season to 70% this season.

## Technology Utilization

Broadridge investments in technology continue to have a positive impact on shareholder engagement and drive additional cost savings to issuers. Voting via online platforms, including ProxyVote.com (our Internet platform for retail shareholders) and ProxyEdge (our communications and voting platform for institutional shareholders), accounted for over 95% of the shares voted. During this proxy season, 1.7 million retail positions voted via mobile ProxyVote.com, and 1.8 million positions were cast via the Investor Mailbox<sup>1</sup>, directly from their brokerage firm’s website.

Broadridge continues to provide tools for issuers to better understand and engage their entire shareholder population. In addition to services for beneficial (“street”) shareholders, over the past fiscal year (ending June 30, 2017), Broadridge also delivered services directly to over 2,200 issuers for shareholder communications and proxy processing for registered shareholders. Further, during this period, over 200 issuers provided their shareholders with the convenience of online participation in their shareholder meetings via Broadridge’s Virtual Shareholder Meeting platform. Our Shareholder Data Service provides issuers with a unique, multidimensional view of their entire shareholder population. Moreover, Broadridge technologies continue to enable all issuers to provide their shareholders with “end-to-end” vote confirmation. Our technologies continue to expand for digital delivery into personal cloud solutions. New systems capabilities are now available for banks, brokerage firms, and other content providers to enable individual investors to receive communications and act on them through third-party cloud solutions such as Google Drive, Dropbox, Evernote, Amazon Cloud Drive and Microsoft One Drive.

During the season, Broadridge successfully executed a pilot utilizing blockchain technology for global proxy voting. In partnership with

JPMorgan, Northern Trust and Banco Santander, we tested our distributed ledger technology to validate its potential benefits of enhanced transparency and improved process efficiency. In the pilot, participants had permission to access voting data, vote confirmation and insights on the private ledger. Our blockchain-based U.S. platform for proxy voting is in development and will enable participants to manage regulatory events, voting entitlements, voting and tabulation information.

## Cost Savings

Broadridge’s technologies and processing — together with and on behalf of bank and broker clients— saved corporate issuers approximately \$1.4 billion this season compared to what issuers would have spent had all materials been printed and mailed as full sets. This represents a twenty-eight percent increase in cost savings for issuers from last season, and is a result of Broadridge, bank, and broker technologies for householding, electronic delivery and account consolidations. A new record was attained this year with 75% of physical materials being eliminated based on shareholder preferences. This year, over 41% of the eliminated physical mailings were a result of electronic delivery (i.e. internet delivery).

## Efficiency and Client Service

The average number of days between physical material receipt and physical distribution was 2.1 days, and again this season we achieved a perfect 8.0 on the “Quality of Service” score, as set by the Independent Steering Committee, which has representatives of banks, brokers, issuers and institutional investors. Virtually all electronic distributions were made within 24 hours, many on a same day basis. Investments in systems and operations continue to keep turnaround times below levels required by the proxy rules, resulting in longer solicitation periods.

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 identifying opportunities for further improvements. Please email [proxysessionstats@broadridge.com](mailto:proxysessionstats@broadridge.com) if you have any questions or suggestions. We appreciate the opportunity to work with you.

Sincerely,



Bob Schiffellite  
President, Broadridge Investor Communication Solutions

<sup>1</sup> Investor Mailbox is Broadridge’s solution for a broker-dealer implanting and Enhanced Broker Internet Platform (“EBIP”), as defined by the NYSE.

# 2017 Proxy Season: Key Statistics & Performance Rating

## Proxy Distribution Statistics: 03/01/17 – 06/18/17

	2017	2016
Proxy Jobs Distributed	4,094	4,167
Shares Processed	437 Billion	463 Billion
Average Days Between Material Receipt & Physical Distribution Date	2.12	2.03
Percentage of Shares Processed by Broadridge that were Voted	85.4%	83.5%

## Mailings Eliminated: 75% of all Mailings Were Eliminated this Proxy Season

SUPPRESSION CATEGORY (AS A PERCENTAGE OF TOTAL SUPPRESSIONS)	2017	2016
Specialized Account Processing*	49%	49%
Householded Accounts	4%	2%
ProxyEdge	6%	7%
Internet Delivery	41%	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	\$676,133,029
Householded Accounts	\$58,665,643
ProxyEdge	\$82,038,706
Internet Delivery	\$558,892,226
<b>Total</b>	<b>\$1,375,729,604</b>

\* 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.

**\$1,375,729,604**  
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	825	6.8	56.3%	9.1%	65.4%
1,000 - 4,999	873	15.5	61.2%	19.7%	80.9%
5,000 - 9,999	603	25.8	59.2%	14.9%	74.1%
10,000 - 49,999	1,118	83.9	70.8%	15.1%	85.9%
50,000 - 149,999	372	65.6	74.0%	12.9%	86.9%
150,000 - 299,999	142	43.7	76.5%	12.0%	88.5%
300,000+	161	195.5	69.6%	16.8%	86.4%
<b>Total</b>	<b>4,094</b>	<b>436.9</b>	<b>70.0%</b>	<b>15.4%</b>	<b>85.4%</b>
Prior Year Total	4,167	462.8	69.1%	14.4%	83.5%

## 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	25.2	13.8	54.3
1,000 - 4,999	31.4	12.8	40.5
5,000 - 9,999	14.5	6.8	46.6
10,000 - 49,999	42.3	25	58.7
>50,000	317.5	247.8	77.5
<b>Total</b>	<b>436.9</b>	<b>306.2</b>	<b>70.6</b>
Prior Year Total	462.8	319.5	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 Total	%	Shares Returned Total	%	
<1,000	13.8	1.1	8.0%	0.2	1.4%	10.2	73.9%	2.3	16.7%
1,000 - 4,999	12.8	2	15.6%	0.3	2.3%	7.5	58.6%	3.0	23.4%
5,000 - 9,999	6.8	0.9	13.2%	0.1	1.5%	4.6	67.6%	1.2	17.6%
10,000 - 49,999	25	1.7	6.8%	0.2	0.8%	20.4	81.6%	2.7	10.8%
>50,000	247.8	9.2	3.7%	0.3	0.1%	214.7	86.6%	23.6	9.5%
<b>Total</b>	<b>306.2</b>	<b>14.9</b>	<b>4.9%</b>	<b>1.1</b>	<b>0.4%</b>	<b>257.4</b>	<b>84.1%</b>	<b>32.8</b>	<b>10.7%</b>
Prior Year Total	319.5	25.5	8.0%	1.4	0.4%	256.4	80.3%	36.2	11.3%

Shares returned as percentage of total shares returned by Ballot Share Amount. Telephone, ProxyEdge, and ProxyVote.com voting accounted for 291.3 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

# 2017 Proxy Season: Key Statistics & Performance Rating

## 2017 Proxy Season: Trends

- Over 75% 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 almost \$1.4 billion versus the estimated costs of printing and mailing full packages.
- Average quorum percentage increased significantly from last season, from 83.5% to 85.4%. Total votes cast with instruction increased from 69.1% to 70%, continuing in line with historical trends.
- E-delivery of retail positions continues to grow and reached an all-time high of over 81 million positions.
- Of the shares voted through Broadridge, 95% were voted electronically through ProxyEdge, ProxyVote.com and the telephone response system.
- Continued investment in innovation has led to a record number of Virtual Shareholder Meetings, with over 200 virtual meetings held so far this year.

## Quality of Service: Proxy Season

### Independent Steering Committee Measurement Criteria\*

CATEGORY	Weight Factor	2017 AVERAGE POINTS FOR SEASON
Generation of Material Request	10%	8.00
Distribute Vote Information	10%	8.00
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>8.00</b>

**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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