

# Virtual shareholder meetings

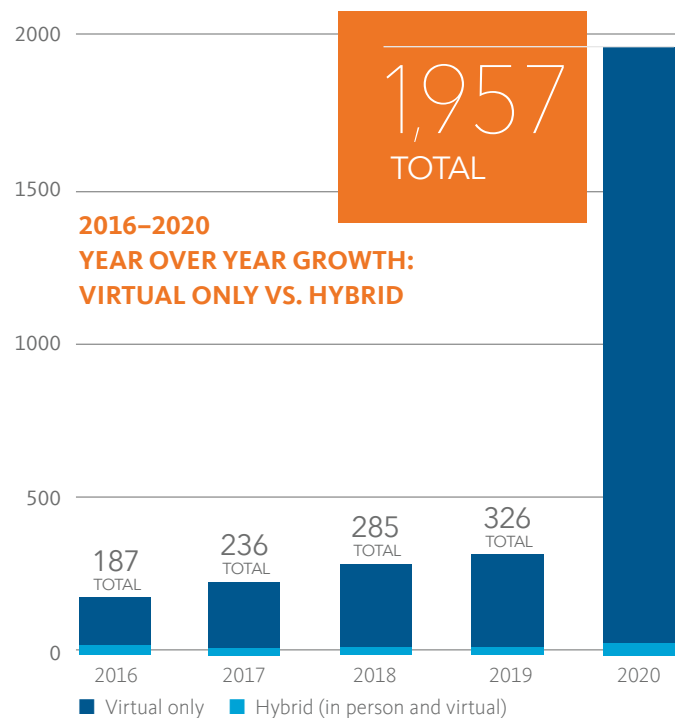
2020 facts and figures



## Virtual Shareholder Meetings (VSM)

Broadridge introduced virtual shareholder meetings (VSM) in 2009. Every year, adoption grew steadily as more publicly traded companies adopted our virtual platform. When the COVID-19 pandemic reached the U.S. in March 2020, many other companies made the switch overnight. Broadridge alone hosted 1,957 virtual shareholder meetings in 2020.

As the industry leader, Broadridge is uniquely positioned to share facts and figures about this now essential way for companies to engage with their shareholders.



1,858 Issuers conducted 1,957 shareholder meetings using Broadridge VSM technology

2% Hybrid

100% used audio

98% Virtual-only

99% used audio only  
1% were conducted with video



In 2020

75%

of virtual meetings on the Broadridge platform had guests in attendance.”

In 2020

84%

of issuers hosting a virtual meeting on the Broadridge platform were first time adopters, the rest were recurring.

### Seamless onboarding

At the height of proxy season, we held twice-a-day training webinars and as always we provided every client with a dedicated VSM specialist to make onboarding seamless for Issuers.

### Simplified authentication

The Broadridge platform authenticates ALL shareholders in two clicks enabling them to attend, vote and ask questions, eliminating additional tasks such as pre-registration or multi-step attendance processing.

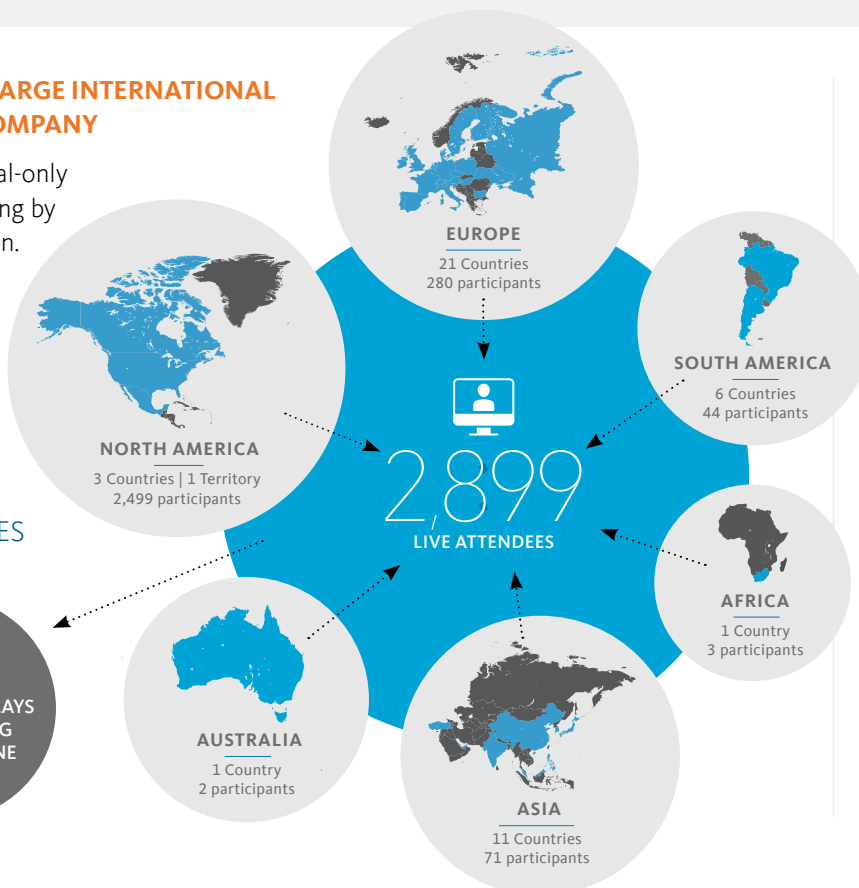
### CASE STUDY: A LARGE INTERNATIONAL HEALTHCARE COMPANY

Example of a virtual-only shareholder meeting by geographic location.

Proxy season 2020

HOSTED 2,899 ATTENDEES ACROSS 44 COUNTRIES AND TERRITORIES

UNLIMITED REPLAYS OF RECORDING REMAIN ONLINE FOR ONE YEAR



### PROFILES OF COMPANIES HOLDING VSMs

19% large-cap

24% mid-cap

57% small-cap

83% of all S&P 100 companies

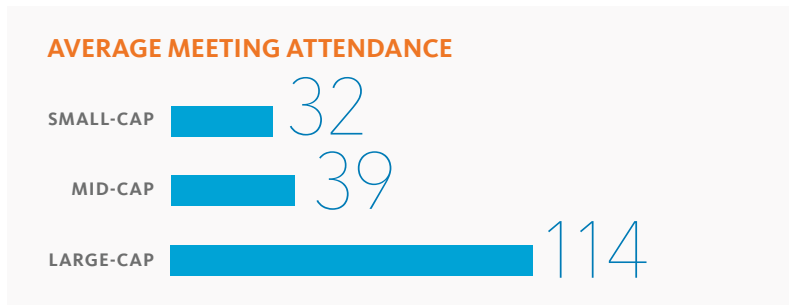
56% of all S&P 500 companies

52% of all Fortune 500 companies

## SHAREHOLDER ENGAGEMENT

### Meeting attendance

Over 95,300 people attended 1,957 VSMs hosted by Broadridge during 2020 with an average of 49 shareholders and guests.



### Shareholder questions

**95%** allowed live questions to be submitted via text box

**4** questions, on average, were asked by shareholders.

**10%** allowed questions in advance of meeting

**316** was the highest number of questions asked at a single meeting.

### Shareholder experience

The virtual meeting platform allowed for access from any device with a browser and internet access (phone, tablet, desktop, etc.).

Shareholders could submit questions live during the meeting via text box, a moderated Q&A phone line, or pre-meeting online.

### Shareholder proposals

218 of the 1,957 virtual meetings hosted by Broadridge had shareholder proposals. These meetings saw greater participation, including higher average attendance, more questions and longer meetings.

In 2020, the most common way for the company to accommodate the proponents was to have them participate via an operator-assisted phone line connected into the live meeting.

	<i>With Shareholder Proposals</i>	<i>Without Shareholder Proposals</i>
Average number of attendees	139	37
Average number of votes	13	2
Average number of questions	19	3
Pre-meeting questions	27%	7%
Average duration	34 minutes	17 minutes

### Meeting Votes

The majority of shares are cast in advance of an annual meeting, whether the meeting is physical, virtual or hybrid.

### Capabilities that made a difference

#### FOR ISSUERS

- No install of software or technology engagement
- Manage the meeting with a simple admin tool
- See live attendees, questions, and votes
- Post meeting reporting of key metrics
- Hosted playback for 12 months

#### SHAREHOLDERS

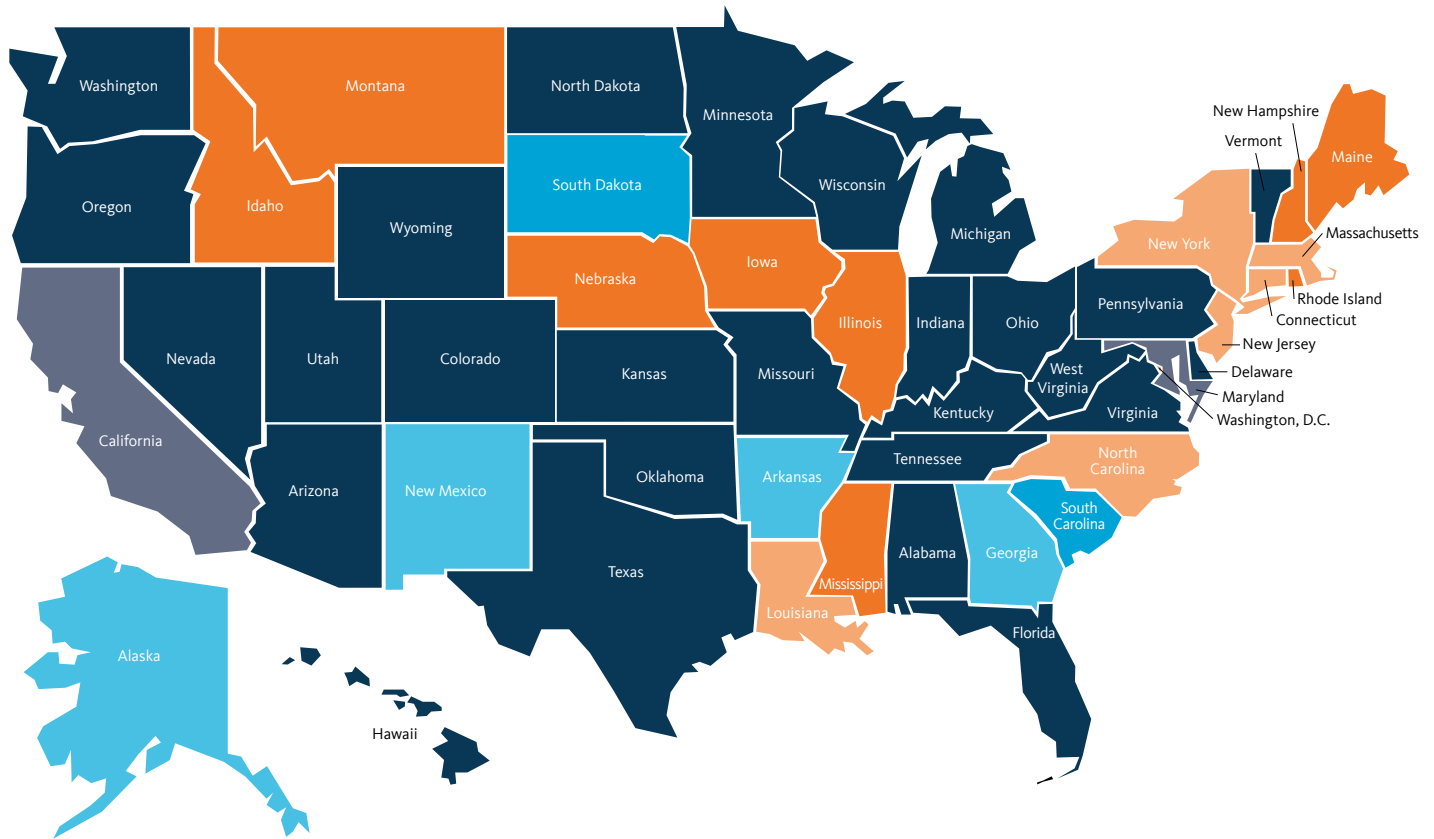
- Access via device of choice
- Authenticated through the VSM platform
- Can vote electronically at the meeting
- Can ask questions during the meeting
- Phone access audio available



## State Corporate Law

State laws require companies to hold annual meetings of their shareholders. The ability for public companies to hold Virtual Shareholder Meetings is governed by each state in the U.S. Below is a list of states that currently allow and prohibit virtual shareholder meetings for public companies.

As of 2020, 30 states allow the use of virtual only meetings. 15 states (including the District of Columbia) require a hybrid format in which a physical meeting location is needed. The remaining 6 only allow a physical meeting. Several states temporarily lifted restrictions in 2020 to permit virtual meetings due to Covid-19.



### Virtual Only

Permanent		Temporarily lifting of restrictions
Alabama	Ohio	California*
Arizona	Oklahoma	Maryland**
Colorado	Oregon	
Delaware	Pennsylvania	
Florida	Rhode Island	
Hawaii	Tennessee	
Indiana	Texas	
Kansas	Utah	
Kentucky	Vermont	
Michigan	Virginia	
Minnesota	Washington	
Missouri	West Virginia	
Nevada	Wisconsin	
North Dakota	Wyoming	

### Hybrid

Permanent		Temporarily lifting of restrictions	
District of Columbia	Maine	Connecticut	New York
Idaho	Mississippi	Louisiana	North Carolina
Illinois	Montana	Massachusetts	
Iowa	Nebraska	New Jersey	
	New Hampshire		

### In person only

Permanent		Temporarily lifting of restrictions	
South Carolina	South Dakota	Alaska	Georgia
		Arkansas	New Mexico

\*A combined physical and virtual meeting—Shareholders can attend in person or online  
 \*\*Indicates significant restrictions may in effect prohibit virtual only meetings current as of January 25, 2021 communications

Prepared by Broadridge as a courtesy. This is not legal advice and public companies should not rely on this information. Public companies should consult with their corporate counsel to interpret the corporate law of their state of incorporation to determine whether a virtual or hybrid shareholder meeting is permissible.

## Key considerations when choosing a service provider.

When your company decides to offer a virtual shareholder meeting, choosing the right service provider will help you maximize experience for both your management and your shareholders.

### Choose an experienced service provider

Broadridge is an expert in virtual meetings, having conducted over 3,400 on our platform. A successful meeting requires planning and participation. Ensure your provider has the scale to support your meeting as well as the resources and expertise to guide your team through the experience from beginning to end.

### Make sure access is easy for ALL shareholders

Beneficial shareholders need the same access as registered shareholders. Ensure the platform you choose will validate attendance at the meeting, allow them to ask questions and vote in real-time, and not entail onerous advance activities such as obtaining a legal proxy. Shareholders should be able to access the meeting in two steps:

1. They enter the meeting URL.
2. They enter the control number found in the proxy materials.

### Authenticate shareholders properly

Your VSM partner should have a reliable mechanism for authenticating all shareholders so that entry, votes and questions asked can be properly validated.

### Execute best practices

Effectively communicate with shareholders before the meeting, provide ways for them to submit questions—pre-meeting, text box and phone—and vote, and establish rules to ensure everyone can fully participate.

### Ask the important questions

Does it offer integrated capabilities? Combining key functions such as Q&A and Voting in a single view, offering multiple ways to submit a question—pre-meeting, text box or phone line, and consolidating all your information into an administrative dashboard helps you track questions, vote results and attendance.

Is it easy to use for you and your shareholders? When assessing VSM providers keep in mind the usability of the technology. For example, will your shareholders need to install software? How simple is the login process? Will your shareholder have to stream audio, or will they also have phone access to the audio?

### The Future of VSM

For proxy season 2021, we have enhanced the VSM experience to bring a modern, fully integrated workflow for clients and an elevated forum for shareholders to connect with corporate management.

**Learn more here: [broadridge.com/meetingofminds](https://broadridge.com/meetingofminds)**

### EXPERIENCE THE VSM ADVANTAGE

The virtual-only model meets the varied needs of shareholder meetings. 2021 promises to show even more growth in VSMs as more companies understand and implement the advantages of “going virtual.” To see a list of upcoming meetings, as well as replays of past meetings, please visit [virtualshareholdermeeting.com](https://virtualshareholdermeeting.com).

For more information on the Broadridge VSM service, visit [broadridge.com/vsm](https://broadridge.com/vsm).

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