

Industry Group Agrees to End-to-End Vote Confirmation for Fortune 500 Annual Meetings

Over the last several years, numerous members of the bank, broker-dealer, issuer, investor, tabulator, transfer agent, and proxy service provider community have been working together to develop an industry approach to end-to-end vote confirmation for beneficial owners. End-to-end vote confirmation is the affirmation to a nominee from the tabulator (and to the nominee's beneficial owner by the bank or broker) that the vote made was counted as cast.¹ After substantial efforts, the members of the working group have agreed to provide vote confirmation for annual meetings of Fortune 500 companies tabulated by members of the working group in 2022.

Tabulators participating in the Fortune 500 pilot program include Broadridge, Computershare, EQ and Mediant.

In addition to Fortune 500 companies, Broadridge Financial Solutions, Computershare, EQ and Mediant have also committed to providing vote confirmation for all annual meetings where each of them acts as the tabulator.

In total we expect more than 2,000 companies to be able to have end-to-end vote confirmation in 2022. The working group hopes to learn from the 2022 proxy season and apply those learnings to extend and further expand the availability of end-to-end vote confirmation in future proxy seasons.

As part of its work, the group has discussed whether early-stage voting entitlement reconciliation is a necessary predicate for end-to-end vote confirmation, and if so, how the communications between the banks and brokers, the proxy service providers, and the tabulators would flow to achieve it. Early-stage voting entitlement reconciliation is a process by which banks and brokers reconcile their aggregate voting positions of their clients with their various positions as reflected, directly and indirectly, in the tabulator's voting register. This reconciliation will take place following the record date and well in advance of the meeting date. It confirms how many shares each bank or broker is entitled to vote with the tabulator, so that any discrepancies can be dealt with before votes are applied.

To this end, the group has agreed to do a pilot program to test whether early-stage vote entitlement in fact makes end to end vote confirmation easier, more timely or more accurate for key stakeholders. Specifically, the working group has agreed to conduct a pilot of early-stage vote entitlement reconciliation involving the proxy solicitations for the annual meetings of 20 selected Issuers in the Fortune 500. This pilot will attempt to provide transparency of the bank's/broker's voting entitlement, and confirmation of that entitlement after the application of permissible adjustments (e.g. omnibus/legal proxies, directly registered firm name positions, etc.) to the tabulator's voting register.

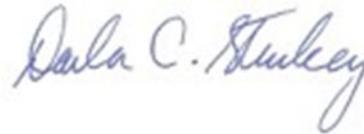
The goals of both the end-to-end vote confirmation plan and the early-stage entitlement reconciliation pilot are:

¹ Many tabulators already provide registered shareholders with confirmation that a vote lodged electronically via the internet or an Interactive Voice Response system was accepted. Additionally, on request from a registered shareholder, all tabulators will confirm the investor's vote was accepted.

- Provide an affirmative, end-to-end vote confirmation for at least 99% of votes cast at the selected meetings
- Minimize last minute rejections/corrections of shareholder voting
- Develop industry wide protocols for end-to-end vote confirmation, including the nature and timing of communications between banks, brokers, tabulators, transfer agents and proxy service providers and proxy voters
- Take the learnings from the expansion of end-to-end vote confirmation in 2022 in order to recommend any further changes needed to facilitate effective end-to-end vote confirmation in 2023 and beyond
- Develop a common industry view regarding the benefits, if any, of early-stage entitlement reconciliation, and the costs involved.



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