

# 2012 Proxy Season

## Key Statistics & Performance Rating



Dear Industry Participant:

Broadridge is pleased to report key statistics and performance ratings for the 2012 proxy season. Many meetings were held at a later date this season than in previous seasons. Therefore, this report covers the time period of March 1, 2012 to June 1, 2012. (Previous reports covered a time period of February 15 to May 1.)

### Shareowner Communication Processing:

Average quorum remained high at 82.7% this season. In fact, the percentage of shares voted with shareholder instruction increased from 67.2% to 67.9%, somewhat offsetting a reduction in broker votes. While the total number of shares processed increased to 638 billion on a full-year basis, the number of shares processed during the proxy season decreased due to a reduction in the number of mutual fund meetings, a high incidence of share buy-back programs and, most significantly, a reverse stock-split by a widely-held large cap firm.

### Technology Utilization:

Technology contributed to record results in a number of areas this past season. Electronic voting (as a percentage of all voting) reached record levels at over 95% of the shares voted through Broadridge. ProxyEdge®, our electronic communications and voting platform (in use worldwide by 4,000+ institutional investors and financial advisors) accounted for over 85% of the shares voted electronically. Proxyvote.com, our Internet platform for retail investors, accounted for over 22 billion shares voted, or twice as many shares voted as by paper voting forms (10.7 billion shares). In addition, there were over 445,000 votes cast this season through our mobile proxyvote.com platform, a nearly fourfold increase over last season.

During the season, an important milestone was reached in the use by issuers of Broadridge's virtual shareholder meeting platform; namely, since launch, over 100 meetings have offered this means of efficient, secure, and convenient online participation. In another first, a pilot of QR codes was launched this season to over 1.1 million shareholders in six issuers. Each QR code provided a unique 12-digit control number by which shareholders could access materials and vote simply by scanning a mailed Notice with a smart phone or tablet computer. In addition, Broadridge is taking a leading role in implementing a University of Delaware working group's recommendations for end-to-end vote confirmation. This past season, four issuers made confirmation available to over 1.5 million institutional and retail shareholders.

### Cost Savings

We are delighted to report another record high in communications efficiency this season -- over 60% of all physical mailings were eliminated as a result of Broadridge technologies for householding, e-delivery, and managed account processing. The number of positions in managed accounts declined on a season-over-season basis (both in the absolute and as a percentage of all positions), while the number of positions delivered electronically surged to 35.4 million, a 13% increase over last season. We are seeing increases in Internet participation with the Investor Mailbox<sup>SM</sup> solution which streamlines multiple delivery and response channels into a single-visit portal. In total, issuers are realizing growing savings on the costs of printing and postage: in comparison to the costs of mailing full packages, for example, these savings exceeded \$522 million this season. What is perhaps less evident from this report is the extraordinary effort that goes into the technologies and processing necessary to utilize the Notice & Access delivery method. This option continues to expand. (In the coming months, we look forward to sharing additional statistics on "N&A" with you.) Finally, the number of days between physical material receipt and physical distribution averaged 2.22 this season. Turnaround times on average for e-delivery are under 24 hours.

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 voting processes. Your comments and suggestions are most useful in identifying opportunities for further improvements. We wish to especially thank the Independent Steering Committee for its work and ongoing guidance in helping to make the proxy process as efficient, effective and trusted as it can be.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bob Schifellite'.

**Bob Schifellite**

*President, Broadridge Investor Communication Solutions*

# 2012 Proxy Season: Key Statistics & Performance Rating

## Proxy Distribution Statistics

	2012	2011
Proxy Jobs Distributed: Full Year	12,172	12,445
Proxy Jobs Distributed: Proxy Season	3,106	3,174
Shares Processed: Full Year	638.2 Billion	628.6 Billion
Shares Processed: Proxy Season	346.9 Billion	362.7 Billion
Average Days Between Material Receipt & Distribution Date: Proxy Season	2.22	2.17
Percentage of Shares Processed by Broadridge that Were Voted: Proxy Season	82.7%	83.5%

Note: the 2012 proxy season (March 1 to June 1) reflects a shift in when meetings occurred. Prior proxy seasons covered the time period from February 15 to May 1. Full year stats cover May 1 of the prior year to April 30 of the following year.

## Mailings Eliminated: Proxy Season

SUPPRESSION CATEGORY	2012	2011
Specialized Account Processing*	50%	51%
Householding	3%	4%
ProxyEdge	8%	9%
Internet Delivery	39%	36%
<b>Total</b>	<b>100%</b>	<b>100%</b>

\* Includes positions held in managed accounts.

## Estimated Savings to Issuers: Proxy Season

SUPPRESSION CATEGORY	TOTAL**
Specialized Account Processing	258,268,200
Householding	17,174,850
ProxyEdge	41,977,320
Internet Delivery	205,154,195
<b>Total</b>	<b>522,574,565</b>

\*\* The estimated savings is based on information from the National Investor Relations Institute (Biennial Annual Report Survey, December 2010) and USPS rates. NIRI estimates a median unit cost of \$4.82 for printing. Postage is calculated at \$0.98 and is based on Broadridge data for all pieces mailed, including full packages and Notices.

**\$522,574,565**  
Total Estimated Savings

## Vote Return Analysis - By Job Size: Proxy Season

JOB SIZE BY NUMBER OF ACCOUNTS*	NUMBER OF JOBS	TOTAL SHARES PROCESSED (BILLIONS)	SHARES RETURNED (%)	BROKER VOTE (%)	TOTAL VOTED (%) (AVE. QUORUM)**
<1,000	799	23.3	42.9	1.7	44.6
1,000 -4,999	669	13.6	59.6	19.9	79.5
5,000 - 9,999	401	15.0	67.3	18.7	86.0
10,000 - 49,999	775	61.4	71.2	14.8	86.0
50,000 - 149,999	268	52.3	75.9	12.0	87.9
150,000 - 299,999	100	38.2	74.6	11.5	86.1
300,000 - Over	94	143.1	66.6	18.0	84.6
<b>Total</b>	<b>3,106</b>	<b>346.9</b>	<b>67.9%</b>	<b>14.8%</b>	<b>82.7%</b>
Prior Year Total	3,174	362.7	67.2%	16.3%	83.5%

\* Job size is related generally to company size; the greater the number of accounts the larger the company.

\*\* Total includes shares voted with broker's discretion.

## 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	18.8	8.0	42.5
1,000 -4,999	24.5	9.2	37.5
5,000 - 9,999	10.9	5.0	45.8
10,000 - 49,999	32.8	19.5	59.5
>50,000	259.9	193.7	74.5
<b>Total</b>	<b>346.9</b>	<b>235.4</b>	<b>67.9%</b>
Prior Year Total	362.7	243.9	67.2%

## 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	%	Shares Returned Total	%
<1,000	8.0	1.3	16.3	0.3	3.8	4.8	60.0	1.6	20.0
1,000 -4,999	9.2	2.2	23.9	0.4	4.3	4.4	47.8	2.2	23.9
5,000 - 9,999	5.0	0.9	18.0	0.1	2.0	3.2	64.0	0.8	16.0
10,000 - 49,999	19.5	1.7	8.7	0.2	1.0	15.6	80.0	2.0	10.3
>50,000	193.7	4.6	2.4	0.4	0.2	173.3	89.5	15.4	8.0
<b>Total</b>	<b>235.4</b>	<b>10.7</b>	<b>4.5</b>	<b>1.4</b>	<b>0.6</b>	<b>201.3</b>	<b>85.5</b>	<b>22.0</b>	<b>9.4</b>
Prior Year Total	243.9	12.8	5.2	1.8	0.7	203.9	83.6	25.4	10.4

Shares returned as percentage of total shares returned by Ballot Share Amount. Telephone, ProxyEdge, and ProxyVote.com voting accounted for 224.7 billions - over 95% of all shares returned.

**95.5 %**  
Shares e-Voted

# 2012 Proxy Season: Key Statistics & Performance Rating

## 2012 Proxy Season: Trends

- An all-time high of over 60% of all physical mailings were instead delivered electronically or consolidated into a single delivery as a result of Broadridge processing for households and managed accounts.
- The potential savings to issuers exceeded \$522 million versus the estimated costs of printing and average postage across all items mailed.
- E-delivery continues to grow and reached an all-time high of 35.4 million positions.
- Average quorum remains high at 82.7%. Despite a decrease in broker votes, this season a greater percentage of shares were cast with instructions.
- Of the shares voted through Broadridge, over 95% were voted electronically through ProxyEdge, ProxyVote.com, and telephone response system.
- Innovative technologies enable mobile voting, end-to-end vote confirmation, and additional avenues to communicate with shareholders including by virtual meeting, electronic forum, and QR codes.

## Quality of Service: Proxy Season

### Independent Steering Committee Measurement Criteria\*

CATEGORY	WEIGHT FACTOR	2012 AVERAGE POINTS FOR SEASON
Generation of Material Request	10%	8.00
Distribute Vote Information	10%	7.85
Electronic Distribution of Vote Information	10%	8.00
Electronic Delivery for ProxyEdge	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>7.98</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.

Investor Communication Solutions  
1 800 353 0103

[www.broadridge.com](http://www.broadridge.com)

