

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-K**

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the Fiscal Year Ended June 30, 2019**

**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
**COMMISSION FILE NUMBER 001-33220**

**BROADRIDGE FINANCIAL SOLUTIONS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**5 DAKOTA DRIVE**

**LAKE SUCCESS**

**New York**

(Address of principal executive offices)

**33-1151291**

(I.R.S. Employer Identification No.)

**11042**

(Zip code)

**(516) 472-5400**

(Registrant's telephone number, including area code)

**Securities registered pursuant to Section 12(b) of the Act:**

<u>Title of Each Class:</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on Which Registered:</u>
Common Stock, par value \$0.01 per share	BR	New York Stock Exchange

**Securities registered pursuant to Section 12(g) of the Act: None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer ☒ Accelerated Filer ☐ Non-Accelerated Filer ☐ Smaller Reporting Company ☐ Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value, as of December 31, 2018, of common stock held by non-affiliates of the registrant was \$11,044,292,706.

As of July 31, 2019, there were 114,282,728 shares of the registrant's common stock outstanding (excluding 40,178,399 shares held in treasury), par value \$0.01 per share.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's definitive proxy statement to be filed with the Securities and Exchange Commission within 120 days after the fiscal year end of June 30, 2019 are incorporated by reference into Part III.

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## PART I.

### Forward-Looking Statements

This Annual Report on Form 10-K may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Statements that are not historical in nature and which may be identified by the use of words such as “expects,” “assumes,” “projects,” “anticipates,” “estimates,” “we believe,” “could be” and other words of similar meaning, are forward-looking statements. In particular, information appearing under “Business,” “Risk Factors,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” includes forward-looking statements. These statements are based on management’s expectations and assumptions and are subject to risks and uncertainties that may cause actual results to differ materially from those expressed. Factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include:

- the success of Broadridge Financial Solutions, Inc. (“Broadridge” or the “Company”) in retaining and selling additional services to its existing clients and in obtaining new clients;
- Broadridge’s reliance on a relatively small number of clients, the continued financial health of those clients, and the continued use by such clients of Broadridge’s services with favorable pricing terms;
- a material security breach or cybersecurity attack affecting the information of Broadridge’s clients;
- changes in laws and regulations affecting Broadridge’s clients or the services provided by Broadridge;
- declines in participation and activity in the securities markets;
- the failure of our key service providers to provide the anticipated levels of service;
- a disaster or other significant slowdown or failure of Broadridge’s systems or error in the performance of Broadridge’s services;
- overall market and economic conditions and their impact on the securities markets;
- Broadridge’s failure to keep pace with changes in technology and the demands of its clients;
- the ability to attract and retain key personnel;
- the impact of new acquisitions and divestitures; and
- competitive conditions.

There may be other factors that may cause our actual results to differ materially from the forward-looking statements. Our actual results, performance or achievements could differ materially from those expressed in, or implied by, the forward-looking statements. We can give no assurances that any of the events anticipated by the forward-looking statements will occur or, if any of them do, what impact they will have on our results of operations and financial condition. You should carefully read the factors described in the “Risk Factors” section of this Annual Report on Form 10-K for a description of certain risks that could, among other things, cause our actual results to differ from these forward-looking statements.

All forward-looking statements speak only as of the date of this Annual Report on Form 10-K and are expressly qualified in their entirety by the cautionary statements included in this Annual Report on Form 10-K. We disclaim any obligation to update or revise forward-looking statements that may be made to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events, other than as required by law.

## ITEM 1. Business

### Overview

Broadridge Financial Solutions, Inc. (“Broadridge” or the “Company”), a Delaware corporation and a part of the S&P 500® Index (“S&P”), is a global financial technology leader providing investor communications and technology-driven solutions to banks, broker-dealers, asset and wealth managers and corporate issuers. With over 50 years of experience, including over 10 years as an independent public company, we provide financial services firms with advanced, dependable, scalable and cost-effective integrated solutions and an important infrastructure that powers the financial services industry. Our solutions enable better financial lives by powering investing, governance and communications and help reduce the need for our clients to make significant capital investments in operations infrastructure, thereby allowing them to increase their focus on core business activities.

Our services include investor communications, securities processing, data and analytics, and customer communications solutions. We serve a large and diverse client base across four client groups: banks/broker-dealers, asset management firms/mutual funds, corporate issuers, and wealth management firms. For capital markets firms, we help our clients lower costs and improve the effectiveness of their trade and account processing operations with support for their front-, middle- and back-office operations, and their administration, finance, risk and compliance requirements. We serve asset management firms by meeting their critical needs for shareholder communications and by providing investment operations technology to support their investment decisions. For wealth management clients, we provide an integrated platform with tools that create a better investor experience, while also delivering a more streamlined, efficient, and effective advisory servicing process. For our corporate issuer clients, we help manage every aspect of their shareholder communications, including registered and beneficial proxy processing, annual meeting support, transfer agency services and financial disclosure document creation, management and SEC filing services.

We operate our business in two reportable segments: Investor Communication Solutions and Global Technology and Operations.

### *Investor Communication Solutions*

We provide the governance and communications solutions through our Investor Communication Solutions business segment to the following financial services clients: banks/broker-dealers, asset management firms/mutual funds, corporate issuers and wealth management firms. In addition to financial services firms, our Customer Communications business also serves companies in the healthcare, insurance, consumer finance, telecommunications, utilities and other service industries.

A large portion of our Investor Communication Solutions business involves the processing and distribution of proxy materials to investors in equity securities and mutual funds, as well as the facilitation of related vote processing. ProxyEdge® (“ProxyEdge”) is our innovative electronic proxy delivery and voting solution for institutional investors and financial advisors that helps ensure the voting participation of the largest stockholders of many companies. We also provide the distribution of regulatory reports and corporate action/reorganization event information, as well as tax reporting solutions that help our clients meet their regulatory compliance needs.

We also provide asset managers and retirement service providers with data-driven solutions that help our clients grow revenue, operate efficiently, and maintain compliance. We offer an end-to-end platform for content management, composition, and multi-channel distribution of regulatory, marketing, and transactional information. Our data and analytics solutions provide investment product distribution data, analytical tools, insights, and research to enable asset managers to optimize product distribution across retail and institutional channels globally. We also provide mutual fund trade processing services for retirement providers, third-party administrators, financial advisors, banks and wealth management professionals through Matrix Financial Solutions, Inc. (“Matrix”).

In addition, we provide public corporations with a full suite of solutions to help manage their annual meeting process, including registered proxy distribution and processing services, proxy and annual report document management solutions, and solutions to gain insight into their shareholder base through our shareholder data services. We also provide financial reporting document composition and management, SEC disclosure and filing services, and registrar, stock transfer and record-keeping services through Broadridge Corporate Issuer Solutions.

Our wealth management solutions enable firms, financial advisors, wealth managers, and insurance agents to better engage with customers through digital marketing and customer communications tools. We integrate data, content and technology to drive new customer acquisition and cross-sell opportunities through the creation of sales and educational content, including seminars as well as customizable advisor websites, search engine marketing and electronic and print newsletters. Our advisor solutions also help advisors optimize their practice management through customer and account data aggregation and reporting. We currently support over 200,000 professionals at more than 300 financial firms with our advisor solutions.

We also provide customer communications solutions which include print and digital solutions, content management, postal optimization, and fulfillment services. The Broadridge Communications Cloud<sup>SM</sup> (the “Communications Cloud”) provides multi-channel communications delivery, communications management, information management and control and administration capabilities that enable and enhance our clients’ communications with their customers. In addition, we provide our clients with capabilities to enhance the consumer experience associated with essential communications such as consumer statements, bills and regulatory communications.

### ***Global Technology and Operations***

We are a leading global provider of securities processing solutions for capital markets, wealth management, and asset management firms. We offer advanced solutions that automate the securities transaction lifecycle, from desktop productivity tools, data aggregation, performance reporting, and portfolio management to order capture and execution, trade confirmation, margin, cash management, clearance and settlement, asset servicing, reference data management, reconciliations, securities financing and collateral optimization, compliance and regulatory reporting, and accounting.

Our services help financial institutions efficiently and cost-effectively consolidate their books and records, gather and service assets under management and manage risk, thereby enabling them to focus on their core business activities. Provided on a software as a service (“SaaS”) basis within large user communities, our technology is a global solution, processing clearance and settlement in over 90 countries. Our multi-asset, multi-market, multi-entity and multi-currency solutions support real-time global trade processing of equity, fixed income, mutual fund, foreign exchange, and exchange traded derivatives. We process on average over \$7 trillion in equity and fixed income trades per day of U.S. and Canadian securities.

In addition, we provide a comprehensive wealth management platform that offers capabilities across the entire wealth management lifecycle and streamlines all aspects of wealth management services, including account management, fee management and client on-boarding. Through our Managed Services, we provide business process outsourcing services that support the operations of our buy- and sell-side clients’ businesses and combine our technology with our operations expertise to support the entire trade lifecycle and provide front-, middle- and back-office solutions. We also provide buy-side technology solutions for the global investment management industry through our asset management solutions, including front-, middle- and back-office solutions for hedge funds, family offices, investment managers and the providers that service this space.

### ***Our Strategy***

We earn our clients’ confidence every day by delivering real business value through leading technology-driven solutions that help our clients get ahead of today’s challenges and capitalize on future growth opportunities. Our solutions harness people, technology and insights to help transform our clients’ businesses by enriching customer engagement, navigating risk, optimizing efficiency and growing revenue.

As financial institutions look to transform and mutualize their mission-critical but non-differentiating back-office functions, we have the proven technology, scale, innovation, experience and, most importantly, the clients to achieve this goal and meet their needs. We define our market opportunity in our strong and growing global businesses in both governance and communications and capital markets, with an additional growth platform in wealth and investment management. Our growth strategy is based on the following key components.

### ***Our business model.***

We deliver multi-client technology and managed services primarily through common SaaS-based operations platforms. We increasingly create layers of value by driving network benefits to our clients, providing deep data and analytics solutions, and offering a suite of digital capabilities on a single platform. All of this translates into our core value proposition to be a trusted provider of technology and managed services across a range of analytical, operational and reporting functions. Our SaaS offerings allow our clients to mutualize development expenses and our solutions integrate global data services to provide globally-consistent insight to functions and requirements within the financial services industry.

### ***Strong positions in a large and growing financial services market.***

Our deep industry knowledge enables our clients to successfully solve complex technological challenges, and inspires trust among and brings novel perspectives to our clients. While financial services firms have historically kept much of their technology infrastructure work in-house, there are two significant trends working in favor of Broadridge. In aggregate, financial service firms globally are spending more on technology, and the respective budgets allocated are consistently growing year-over-year. Moreover, these firms are devoting a growing percentage of this spend to third-party technology, operations, and services. Broadridge, as a trusted outside partner, can undertake streamlining and better integrate this infrastructure and processes. We expect the efficiencies that result from such undertaking by Broadridge will lead to growth in the market for our solutions.

### ***Three attractive growth platforms.***

Our growth platforms address important and significant client needs as described below. Through our integrated solutions and services and our scalable infrastructure, we believe we are best positioned to meet them.

- ***Governance.*** We provide a strong network through our governance platform that links broker-dealers, public companies, mutual funds, shareholders, and regulators. We continue to grow our governance solutions by continuing to transform content and delivery and improve product capabilities to drive higher investor engagement. We aim to be an integral partner to asset managers and retirement service providers by offering data-driven solutions that help them grow revenue, reduce costs and maintain compliance. We are also expanding our capabilities to better serve the needs of issuers and we are driving the next generation of digital communications while optimizing print and mail services through advanced technology.
- ***Capital Markets.*** Global institutions have a strong need to simplify their complex technology environment, and our SaaS-based global, multi-asset class technology platform addresses this need. We are driving global post-trade management to create transformation opportunities to simplify our clients' operations, improve performance, evolve to global operating models, adopt new technologies, and enable our clients to better manage their data.
- ***Wealth Management.*** Wealth management clients which include capital markets and financial services firms, financial advisors, wealth managers and insurance agents are undergoing unprecedented change and need partners to help them navigate the new technologies that are essential to their business. Market dynamics are driving the need for integrated, data-centric digital wealth solutions and we see the need of investment managers to modernize their technology infrastructure. To address this need, we are integrating a "One Wealth" platform that optimizes advisor productivity, client experience and enterprise operations.

### ***On-ramp for next-generation technologies.***

Our clients understand that next-generation technology is a key driving force for change and efficiency and there is a need among our client base to leverage this technology to address their critical business challenges. However, they face obstacles in creating the right investment and, more importantly, in applying the right talent and intellectual capital, which may be focused on their most differentiating functions. This continues to create opportunities for Broadridge to assist in the areas where we have scale and domain expertise, which includes digital, cloud, blockchain, and artificial intelligence technologies.

### ***High engagement and client-centric culture.***

Broadridge is client-centric and has created and grown multi-entity infrastructures across a variety of functions with high client satisfaction. Broadridge conducts a client satisfaction survey for each of its major business units annually, the results of which are a component of all Broadridge associates' compensation because of the importance of client retention to the achievement of Broadridge's revenue goals.

We have also built a culture where we focus on having engaged and knowledgeable associates to serve clients well, which in turn creates a real and sustainable advantage. Supporting this excellent client delivery takes engaged associates, and we are passionate about creating an environment in which every associate can thrive and build their knowledge and skills. All of this creates a culture that benefits our associates, our clients, and our stockholders.

## **History and Development of Our Company**

Broadridge has over 50 years of history in providing innovative solutions to financial services firms and publicly-held companies. We are the former Brokerage Services division of Automatic Data Processing, Inc. (“ADP”), which opened for business in 1962 with one client, processing an average of 300 trades per night. In 1979, ADP expanded its U.S.-based securities processing solutions to process Canadian securities. Broadridge was incorporated in Delaware as a wholly-owned subsidiary of ADP on March 29, 2007 in anticipation of our spin-off from ADP. We spun off from ADP and began operating as an independent public company on March 30, 2007.

### ***Investor Communication Solutions***

We began offering our proxy services in 1989. The proxy services business, which has become our Investor Communication Solutions business, leveraged the information processing systems and infrastructure of our Global Technology and Operations business. Our proxy services offering attracted 31 major clients in its first year of operations. In 1992, we acquired The Independent Election Corporation of America which further increased our proxy services capabilities. By 1999, we were handling over 90% of the investor communication distributions for securities held of record by banks and broker-dealers in the U.S. from proxy statements to annual reports. During the 1990s, we expanded our proxy services business to serve security owners of Canadian and United Kingdom issuers and we began offering a complete outsourced solution for international proxies.

In 1994, we began offering ProxyEdge, our innovative electronic proxy delivery and voting solution for institutional investors that helps ensure the participation of the largest stockholders of many companies. In 1998, having previously provided print and distribution services as an accommodation to our securities processing and proxy clients, we decided to focus on account statement and reporting services. In 2001, we developed and released an electronic document distribution and archiving solution of all investor communications. In 2010, we entered the transfer agency business through an acquisition of a provider of registrar, stock transfer and record-keeping services.

Since 2011, we have made several acquisitions to improve and expand the solutions offered through our Investor Communication Solutions segment to our clients. In June 2019, we acquired the retirement plan custody and trust assets from TD Ameritrade Trust Company (“TD Ameritrade”), a subsidiary of TD Ameritrade Holding Company. The acquisition expands our suite of solutions for the growing qualified and non-qualified retirement plan services market and the support provided for third-party administrators, financial advisors, record-keepers, banks, and brokers.

### ***Global Technology and Operations***

Our securities processing business has grown over the past 50 years from a processor of U.S. and Canadian securities to a global provider of multi-market, multi-asset class, multi-entity and multi-currency processing capabilities. We made significant additions to our Global Technology and Operations business through two key acquisitions in the mid-1990s. In 1995, we acquired a London-based provider of multi-currency clearance and settlement services, to become a global supplier of transaction processing services. In 1996, we acquired a provider of institutional fixed income transaction processing systems.

Since 2011, we have made several acquisitions to expand the asset classes we process and the markets we serve. In fiscal year 2019, we made the following acquisitions:

- In May 2019, we acquired Rockall Technologies Limited (“Rockall”), a leading provider of securities-based lending (“SBL”) and collateral management solutions for wealth management firms and commercial banks. The acquisition expands our core front- to back-office wealth capabilities, providing innovative SBL and collateral management technology solutions to help firms manage risk and optimize clients’ securities lending and financing needs; and
- In June 2019, we acquired RPM Technologies (“RPM”), a leading Canadian provider of enterprise wealth management software solutions and services. The acquisition brings important new capabilities and next-generation technology to our clients. RPM's state-of-the-art technology platforms build on our strong Canadian wealth management business, providing a solution set for the retail banking sector with enhanced mutual fund and deposit manufacturing capabilities.

## **The Broadridge Business**

### ***Investor Communication Solutions***

The Investor Communication Solutions segment's revenues represented approximately 80% and 81% of our total Revenues in fiscal years 2019 and 2018, respectively, which gives effect to the foreign exchange impact from revenues generated in currencies other than the United States of America ("U.S.") dollar. See "Analysis of Reportable Segments—Revenues" under "Item 701. Management's Discussion and Analysis of Financial Condition and Results of Operations." The services and solutions provided through our Investor Communication Solutions segment serve the following client groups:

#### ***Banks/Broker-Dealers***

We handle the entire proxy materials distribution and voting process for our bank and broker-dealer clients. We offer traditional hard copy and electronic services for the delivery of proxy materials to investors and collection of consents; maintenance of a database that contains the delivery method preferences of our clients' customers; posting of documents on the Internet; e-mail notification to investors notifying them that proxy materials are available; and proxy voting over the Internet, mobile devices and tablets. We also have the ability to combine stockholder communications for multiple stockholders residing at the same address which we accomplish by having ascertained the delivery preferences of investors. In addition, we provide a complete outsourced solution for the processing of international proxies with the ability to process proxy voting in over 120 international markets.

A majority of publicly-traded shares are not registered in companies' records in the names of their ultimate beneficial owners. Instead, a substantial majority of all public companies' shares are held in "street name," meaning that they are held of record by broker-dealers or banks through their depositories. Most street name shares are registered in the name "Cede & Co.," the name used by The Depository Trust and Clearing Corporation ("DTCC"), which holds shares on behalf of its participant broker-dealers and banks. These participant broker-dealers and banks (which are known as "Nominees" because they hold securities in name only) in turn hold the shares on behalf of their clients, the individual beneficial owners. Nominees, upon request, are required to provide companies with lists of beneficial owners who do not object to having their names, addresses, and shareholdings supplied to companies, so called "non-objecting beneficial owners" (or "NOBOs"). Objecting beneficial owners (or "OBOs") may be contacted directly only by the broker-dealer or bank. As DTCC's role is only as the custodian, a number of mechanisms have been developed in order to pass the legal rights it holds as the record owner (such as the right to vote) to the beneficial owners. The first step in passing voting rights down the chain is the "omnibus proxy," which DTCC executes to transfer its voting rights to its participant Nominees. Under applicable rules, Nominees must deliver proxy materials to beneficial owners and request voting instructions.

Given the large number of Nominees involved in the beneficial proxy process resulting from the large number of beneficial shareholders, we play a unique, central and integral role in ensuring that the beneficial proxy process occurs without issue for both Nominees and companies. A large number of Nominees have contracted out the processes of distributing proxy materials and tabulating voting instructions to us. Nominees accomplish this by entering into agreements with Broadridge and transferring to us via powers of attorney the authority to execute a proxy, which authority the Nominee receives from the DTCC via an omnibus proxy. Through our agreements with Nominees for the provision of beneficial proxy services, we take on the responsibility of ensuring that the account holders of Nominees receive proxy materials, that their voting instructions are conveyed to the companies conducting solicitations and that these services are fulfilled in accordance with each company's requirements with respect to its particular solicitation. In order for us to provide the beneficial proxy services effectively, we interface and coordinate directly with each company to ensure that the services are performed in an accurate and acceptable manner. With respect to companies, as it would be impracticable and would also increase the costs for companies to work with all of the Nominees through which their shares are held beneficially, companies work with us for the performance of all the tasks and processes necessary to ensure that proxy materials are distributed to all beneficial owners and that their votes are accurately reported.



The Securities and Exchange Commission (the “SEC”) rules require public companies to reimburse Nominees for the expense of distributing stockholder communications to beneficial owners of securities held in street name. The reimbursement rates are set forth in the rules of self-regulatory organizations (“SROs”), including the New York Stock Exchange (“NYSE”). We bill public companies for the proxy services performed, collect the fees and remit to the Nominee its portion of the fees. In addition, the NYSE rules establish fees specifically for the services provided by intermediaries in the proxy process, such as Broadridge. We also compile NOBO lists on behalf of Nominees in response to requests from corporate issuers. The preparation of NOBO lists is subject to reimbursement by the securities issuers requesting such lists to the broker-dealers. The reimbursement rates are based on the number of NOBOs on the list produced pursuant to NYSE or other SRO rules. The rules also provide for certain fees to be paid to third-party intermediaries who compile NOBO lists. We function as an intermediary in the NOBO process.

We provide institutional investors with a suite of services to manage the entire proxy voting process, including fulfilling their fiduciary obligations and meeting their reporting needs. ProxyEdge is our innovative electronic proxy delivery and voting solution for institutional investors and financial advisors that integrates ballots for positions held across multiple custodians and presents them under a single proxy. Voting can be instructed for the entire position, by account vote group or on an individual account basis either manually or automatically based on the recommendations of participating governance research providers. ProxyEdge also provides for client reporting and regulatory reporting. ProxyEdge can be utilized for meetings of U.S. and Canadian companies and for meetings in many non-North American countries based on the holdings of our global custodian clients. ProxyEdge is offered in several languages and there are currently over 5,600 ProxyEdge users worldwide.

In addition to our proxy services, we provide our bank and broker-dealer clients with regulatory communications services including prospectus delivery services. Our proprietary extraction, normalization and presentment capabilities from the SEC’s EDGAR database have enabled us to provide our bank and broker-dealer and asset management clients with an on-demand solution for prospectus post-sale fulfillment. This process provides efficiency for our clients as it reduces their reliance on offset print and fund delivered inventory. We provide portfolio-specific solutions for the retirement and annuity markets. We have integrated this functionality into additional capabilities to offer an efficient fulfillment model for regulatory and compliance distributions.

We also offer a complete reorganization communications solution to notify investors of reorganizations or corporate action events such as tender offers, mergers and acquisitions, bankruptcies, and class action lawsuits. We also offer our Mailbox products - Advisor Mailbox™ and Investor Mailbox® - which support and complement any investor communication strategy. Our Investor Mailbox solution provides the electronic delivery of investor communications to our clients’ websites, enabling investor access to regulatory delivery notices, day-to-day account and investment information and convenient response tools. Our Advisor Mailbox is an electronic communications platform for financial advisors that delivers immediate electronic access to the communications and documents sent to such advisors’ customers. Advisor Mailbox streamlines multiple communication paths for all investor-related documents into a single-visit portal that is integrated onto an advisor’s platform.

We also provide tax services to financial services firms that support their various daily workflows, supervisory control and client reporting requirements for information reporting (e.g., Forms 1099 and 1042-S), with a focus on securities and fund processing and clearance operations. Our tax data services provide tax content and data management, including securities tax classifications and reclassifications, calculations of original issue discount and other accrual and cost basis adjusting events. Our tax services provide technology and client reporting, including print and electronic distribution and archival.

#### *Asset Management Firms/Mutual Funds*

We provide a full range of data-driven solutions that help our asset management and retirement services clients grow revenue, operate efficiently, and maintain compliance. Our regulatory communications solutions enable global asset managers to communicate with large audiences of investors efficiently, reliably, and often with cost savings, by centralizing all investor communications through one resource. We provide composition, printing, filing, and distribution services for regulatory reports, prospectuses and proxy materials, as well as proxy solicitation services. We manage the entire communications process with both registered and beneficial stockholders. Our marketing and transactional communications solutions provide a content management and multi-channel distribution platform for marketing and sales communications for asset managers and retirement service providers. In addition, our data and analytics solutions provide investment product distribution data, analytical tools, and insights and research to enable asset managers to optimize product distribution across retail and institutional channels globally.

We also provide mutual fund processing services for third-party administrators, financial advisors, banks and wealth management professionals through Matrix. Matrix's back-office, trust, custody, trading and mutual fund and ETF settlement services are integrated into our product suite thereby strengthening Broadridge's role as a provider of data processing and distribution channel solutions to the mutual fund industry.

### *Corporate Issuers*

We are the largest processor and provider of investor communication solutions to public companies through the performance of beneficial proxy services. Our corporate issuer solutions include a full suite of annual meeting solutions which includes the following:

- ShareLink® - complete project management for the entire annual meeting process including distribution of proxy materials and vote processing.
- Virtual Shareholder Meeting™ - electronic annual meetings on the Internet, either on a stand-alone basis, or in conjunction with physical annual meetings including shareholder validation and voting services.
- Proxy Materials Document Composition and Management - proxy and annual report design and digitization, SEC filing, printing and web hosting services.
- Shareholder Data Services - integrate (1) an analytics engine for obtaining a comprehensive view of a company's full shareholder base, including both registered and beneficial shareholders; (2) custom targeted communications for reaching discrete shareholder segments based on specific criteria; and (3) response reporting for evaluating results of targeted reminder mailings to shareholders. Companies can monitor progress of their proxy voting and capture valuable aggregated voting behavior data as a basis for on-going investor communications initiatives.
- Enhanced Packaging of annual meeting materials - our Enhanced Packaging service offers windowed envelope options enabling issuers to engage their shareholders before they even open the envelope through call-to-action messaging, product highlights or simply showcasing the annual report; thereby improving proxy voting participation as well as increasing brand loyalty.

To supplement our proxy services and annual meeting solutions, we offer corporate issuers a single source solution that spans the entire corporate disclosure and shareholder communications lifecycle. We provide registrar, stock transfer and record-keeping services. Our transfer agency business addresses the needs public companies have for more efficient and reliable stockholder record maintenance and communication services. In addition, we provide corporate actions services including acting as the exchange agent, paying agent, or tender agent in support of acquisitions, initial public offerings and other significant corporate transactions.

Our solutions for public companies include transactional and compliance reporting services to public companies, including document composition, SEC filing services for capital markets transactions such as initial public offerings, spin-offs, acquisitions, and debt and equity securities offerings, and year-round SEC disclosure services such as document composition and SEC filing software and services for SEC reports, proxy statements, annual reports and Section 16 reporting. In addition, we provide transaction support services such as virtual deal rooms and translation services.

### *Wealth Management Firms*

We deliver business critical data, technology products and marketing services to financial advisors. These solutions enable firms, financial advisors, wealth managers, and insurance agents to better engage with customers through cloud-based marketing and customer communications tools. We integrate data, content and technology to drive new client acquisition and cross-sell opportunities through the creation of sales and educational content, including seminars and a library of financial planning topics as well as customizable advisor websites, search engine marketing and electronic and print newsletters. Our wealth management solutions also help financial advisors optimize their practice management through customer and account data aggregation and reporting.

We also provide financial planning knowledge that enables timely, accurate and meaningful communications among financial institutions, advisors and their customers. We have expanded our services portfolio to leverage our industry leading financial content for use by financial services firms in their social media content libraries. We continue to develop new applications that further the goal of creating timely, accurate and meaningful communications for both advisors and their customers. For example, our *Women's Resource Center*, which contains a broad selection of content for both the advisor and their customer, focuses specifically on the requirements and challenges faced by women investors.

Our data aggregation solution helps financial advisors manage and build client relationships by providing customer account data aggregation, performance reporting, household grouping, automated report creation, document storage, and integration with popular financial planning and productivity applications.

In addition, our wealth management solutions enable financial institutions and their advisors to advise, educate and communicate with their customers and prospects through mobile-responsive, content-rich websites, print and digital newsletters, comprehensive and topic-specific seminars, targeted email marketing, and direct mail services to invite clients to seminars and other events.

We also provide data-driven, digital solutions to broker-dealers, financial advisors, insurers and other firms with large distributed salesforces. Our marketing operations and automation platform enables firms to manage marketing activities efficiently across field offices and branch locations using consistent standards. The platform provides unique data and analytical capabilities designed to increase marketing and sales effectiveness.

#### *Customer Communications Solutions*

We provide multi-channel customer communications solutions to companies in the financial services, healthcare, insurance, consumer finance, telecommunications, utilities, and other service industries. These services include print and digital solutions, content management, postal optimization, and fulfillment services. The Communications Cloud provides for the delivery of essential communications including transactional (bills and statements), regulatory (explanations of benefits, notices, and trade confirmations) and marketing (direct mail) communications across print and digital channels from one platform. The Communications Cloud enables our clients to leverage data, analytics and workflow tools to create personalized digital and print communications. In addition, the Communications Cloud's advanced reporting and archive capabilities provide companies with insight into customer behavior to help our clients enhance future communications with their customers.

We also provide our clients with capabilities to enhance the consumer experience associated with essential communications such as consumer statements, bills and regulatory communications. This enables our clients to convert static content into interactive communications and touchpoints delivered across multiple channels.

#### *Global Technology and Operations*

Transactions involving securities and other financial market instruments originate with an investor, who places an order with a broker who in turn routes that order to an appropriate market for execution. At that point, the parties to the transaction coordinate payment and settlement of the transaction through a clearinghouse. The records of the parties involved must then be updated to reflect completion of the transaction. Tax, custody, accounting and record-keeping requirements must be complied with in connection with the transaction and the customer's account information must correctly reflect the transaction. The accurate processing of trading activity and custody activity requires effective automation and information flow across multiple systems and functions within the brokerage firm and across the systems of the various parties that participate in the execution of a transaction.

Our Global Technology and Operations segment provides solutions that automate the securities transaction lifecycle of equity, mutual fund, fixed income, foreign exchange and exchange traded derivatives, from order capture and execution through trade confirmation, margin, cash management, clearing and settlement, reference data management, reconciliations, securities financing and collateral management, asset servicing, compliance and regulatory reporting, portfolio accounting and custody-related services. Our solutions provide automated straight-through-processing operations and enable buy- and sell-side financial institutions to efficiently and cost-effectively consolidate their books and records, gather and service assets under management, focus on their core businesses, and manage risk. With our multi-market, multi-asset class, multi-entity and multi-currency capabilities, we provide post-trade processing on a global basis.

The Global Technology and Operations segment's revenues represented approximately 22% and 21% of our total Revenues in fiscal years 2019 and 2018, respectively, which gives effect to the foreign exchange impact from revenues generated in currencies other than the U.S. dollar. See "Analysis of Reportable Segments—Revenues" under "Item 701. Management's Discussion and Analysis of Financial Condition and Results of Operations." Services and solutions offered through the Global Technology and Operations segment include the following:

## *Capital Markets Solutions*

We provide a set of sophisticated, multi-entity and multi-currency systems that support real-time processing of securities transactions in North American equities, options, fixed income securities, and mutual funds. Brokerage Processing Services (“BPS”) is our core back-office processing system that supports real-time processing of primarily equity and option transactions in the U.S. and Canadian markets. BPS, which is provided on a SaaS basis, handles the entire securities processing cycle from order management to clearance, settlement and custody, and assists our clients in meeting their regulatory reporting and other back-office requirements. We also provide specialized transaction processing tools and services for small to mid-market financial firms in Canada.

We also provide the most comprehensive fixed income transaction processing capabilities to support clearance, settlement, custody, P&L reporting and regulatory reporting for domestic and foreign fixed income instruments. Our solution includes extensive support for mortgage-backed securities and other structured products. It is a multi-currency, multi-entity solution that provides real-time position and balance information, in addition to detailed accounting, financing, collateral management, and repurchase agreement functionality. The solution offers real-time straight through processing capabilities, enterprise-wide integration and a robust technology infrastructure-all focused on supporting firms specializing in the fixed-income marketplace.

## *Wealth Management Solutions*

We offer an integrated open-architecture wealth management platform through which we provide enhanced data-centric capabilities across the entire wealth management lifecycle including front-, middle-, and back-office solutions for wealth management firms, including solutions for reconciliations, securities lending, reference data management, and enterprise workflow management. Our comprehensive wealth management platform streamlines all aspects of wealth management services allowing our wealth management clients to digitally-onboard, manage adviser compensation for multiple products and clients, and seamlessly transfer accounts among other solutions. We also offer broker-desktop solutions which provide a user-friendly interface for accessing the platform solutions.

## *Asset Management Solutions*

We provide buy-side technology solutions for the global investment management industry. Our asset management solutions are front-, middle-, and back-office solutions such as order management, data warehousing, reporting, reference data management, risk management and portfolio accounting for hedge funds, family offices, investment managers and the providers that service this space including prime brokers, hedge fund administrators and custodians. The client base for these services includes institutional asset managers, public funds, start-up or emerging managers through some of the largest global hedge fund complexes and global fund administrators. We have integrated our business process outsourcing expertise with our investment management solutions to offer a set of managed services to asset management firms.

## *Managed Services*

We provide business process outsourcing services known as Managed Services that support the operations of our buy- and sell-side clients’ businesses. These services combine our technology with our operations expertise to support the entire trade lifecycle, including securities clearing and settlement, reconciliations, record-keeping, asset servicing, and custody-related functions. Our clients also engage us to perform a number of related middle- and back-office operations functions, such as reference data management, regulatory and performance reporting, tax and cost basis services, revenue and trade expense management and portfolio accounting. In this capacity, we are not the broker-dealer of record.

## *International Securities Processing Solutions*

We provide advanced real-time, multi-asset and multi-currency post-trade processing solutions to support the processing of a broad range of equity, fixed income, foreign exchange and exchange traded derivative securities for global financial institutions. We primarily offer these services on a SaaS basis and support clearance and settlement activities in over 90 countries with direct connectivity solutions in the major markets. These transaction processing services are complemented by our middle-office solutions for reconciliations, securities lending, reference data management and enterprise workflow management. Our solutions can be deployed as a complete post-trade service as well as components within the architecture of financial institutions.

We have a strategic alliance with Accenture plc (“Accenture”) through which we provide Accenture Post-Trade Processing, combining Accenture’s global business process outsourcing capabilities and global capital markets industry expertise with Broadridge’s leading securities processing technology. The solution provides post-trade processing and technology services to support settlement, books and records, asset servicing, operational management and control, real-time data access and administrative accounting. It is designed to help banks operating in Europe and the Asia Pacific region reduce post-trade processing costs, adapt to new regulations and technology, and quickly and efficiently launch new products and enter new markets.

## Clients

We serve a large and diverse client base across four client groups: banks/broker-dealers, asset management firms/mutual funds, corporate issuers and wealth management firms. Our clients in the financial services industry include retail and institutional brokerage firms, global banks, mutual funds, asset managers, insurance companies, annuity companies, institutional investors, specialty trading firms, clearing firms, third-party administrators, hedge funds, and financial advisors. Our corporate issuer clients are typically publicly held companies. In addition to financial services firms, our Customer Communications business services other corporate clients in the healthcare, insurance, consumer finance, telecommunications, utilities, and other service industries with their essential communications.

In fiscal year 2019, we:

- processed approximately 80% of the outstanding shares in the U.S. in the performance of our proxy services;
- processed over 6 billion investor and customer communications through print and digital channels;
- processed on average over \$7 trillion in equity and fixed income trades per day of U.S. and Canadian securities; and
- provided fixed income trade processing services to 19 of the 24 primary dealers of fixed income securities in the U.S.

In fiscal year 2019, we derived approximately 22% of our consolidated revenues from five clients. Our largest single client accounted for approximately 6% of our consolidated revenues.

## Competition

We operate in a highly competitive industry. Our Investor Communication Solutions business competes with companies that provide investor communication and corporate governance solutions including proxy services providers, transfer agents, proxy advisory firms, proxy solicitation firms and financial printers. We also face competition from numerous firms in the compiling, printing and electronic distribution of statements, bills, and other customer communications. Our Global Technology and Operations business principally competes with brokerage firms that perform their trade processing in-house, and with numerous other outsourcing vendors. Our back-office support services offered through this segment also compete with very large financial institutions that manage their own back-office record-keeping operations.

## Technology

We have several information processing systems which serve as the core foundation of our technology platform. We leverage these systems in order to provide our services. We are committed to maintaining extremely high levels of quality service through our skilled technical employees and the use of our technology within an environment that seeks continual improvement.

Our mission-critical applications are designed to provide high levels of availability, scalability, reliability, and flexibility. They operate on industry standard enterprise architecture platforms that provide high degrees of horizontal and vertical scaling. This scalability and redundancy allows us to provide high degrees of system availability. In 2010, we entered into an Information Technology Services Agreement (the “IT Services Agreement”) with International Business Machines Corporation (“IBM”), under which IBM performs a broad range of technology services including supporting our mainframe, midrange, open systems, network and data center operations, as well as providing disaster recovery services.

In 2014, the Company and IBM United Kingdom Limited (“IBM UK”) entered into an Information Technology Services Agreement (the “EU IT Services Agreement”), under which IBM UK provides data center services supporting the Company’s technology outsourcing services for certain clients in Europe and Asia.

Most of our systems and applications process in highly resilient data centers that employ multiple active power and cooling distribution paths, redundant components, and are capable of providing 99.995% availability. Additionally, the data centers provide infrastructure capacity and capability to permit any planned activity without disruption to the critical load, and can sustain at least one worst-case, unplanned failure or event with no critical load impact. Our geographically dispersed processing centers also provide disaster recovery and business continuity processing.

**Product Development.** Our products and services are designed with reliability, availability, scalability, and flexibility so that we can fully meet our clients' processing needs. These applications are built in a manner which allows us to meet the breadth and depth of requirements of our financial services industry clients in a highly efficient manner. We continually upgrade, enhance, and expand our existing products and services taking into account input from clients, industry-wide initiatives and regulatory changes affecting our clients.

**Intellectual Property.** We own a portfolio of more than 105 U.S. and non-U.S. patent and patent applications. We also own registered marks for our trade name and own or have applied for trademark registrations for many of our services and products. We regard our products and services as proprietary and utilize internal security practices and confidentiality restrictions in contracts with employees, clients, and others for protection. We believe that we are the owner or in some cases, the licensee, of all intellectual property and other proprietary rights necessary to conduct our business.

## Cybersecurity

Our information security program is designed to meet the needs of our clients who entrust us with their sensitive information. Our program includes encryption, data masking technology, data loss prevention technology, authentication technology, entitlement management, access control, anti-malware software, and transmission of data over private networks, among other systems and procedures designed to protect against unauthorized access to information, including by cyber-attacks. In addition, we conduct regular security awareness training as well as testing for our employees.

To further demonstrate our commitment to maintaining the highest levels of quality service, information security, and client satisfaction within an environment that fosters continual improvement, most of our business units and our core applications and facilities for the provision of many services including our proxy services, U.S. equity and fixed income securities processing services, and IBM's data centers, are International Organization for Standardization ("ISO") 27001 certified. This security standard specifies the requirements for establishing, implementing, operating, monitoring, reviewing, maintaining and improving a documented Information Security Management System within the context of the organization's overall business risks. It specifies the requirements for the implementation of security controls customized to the needs of individual organizations. This standard addresses confidentiality, access control, vulnerability, business continuity, and risk assessment.

Additionally, Broadridge is utilizing the National Institute of Standards and Technology Framework for Improving Critical Infrastructure Cybersecurity (the "NIST Framework") issued by the U.S. government in 2014 and updated in 2018, as a guideline to manage our cybersecurity-related risk. The NIST Framework outlines 108 subcategories of security controls and outcomes over five functions: identify, protect, detect, respond and recover.

## Regulation

The securities and financial services industries are subject to extensive regulation in the U.S. and in other jurisdictions. As a matter of public policy, regulatory bodies in the U.S. and the rest of the world are charged with safeguarding the integrity of the securities and other financial markets and with protecting the interests of investors participating in those markets. Due to the nature of our services and the markets we serve, these regulatory bodies impact our businesses in the following various manners.

In the U.S., the securities and financial services industries are subject to regulation under both federal and state laws. At the federal level, the SEC regulates the securities industry, along with the Financial Industry Regulatory Authority, Inc. (“FINRA”), the various stock exchanges, and other SROs. The Department of Labor (“DOL”) regulates retirement plans. Our Investor Communication Solutions and Global Technology and Operations businesses are generally not directly subject to laws and regulations that are specifically applicable to financial institutions. However, as a provider of services to financial institutions and issuers of securities, our services, such as our proxy and shareholder report processing and distribution services, are provided in a manner to assist our clients in complying with the laws and regulations to which they are subject. As a result, the services we provide may be required to change as applicable laws and regulations are adopted or revised. We monitor legislative and rulemaking activity by the SEC, FINRA, DOL, the stock exchanges and other regulatory bodies that may impact our services, and if new laws or regulations are adopted or changes are made to existing laws or regulations applicable to our services, we expect to adapt our business practices and service offerings to continue to assist our clients in fulfilling their obligations under new or modified requirements.

Certain aspects of our business are subject to regulatory compliance or oversight. As a provider of technology services to financial institutions, certain aspects of our U.S. operations are subject to regulatory oversight and examination by the Federal Financial Institutions Examination Council (“FFIEC”), an interagency body of the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the National Credit Union Administration and various state regulatory authorities. Periodic examinations by the FFIEC generally include areas such as data privacy, disaster recovery, information security, and third-party vendor management to identify potential risks related to our services that could adversely affect our banking and financial services clients.

In addition, our business process outsourcing, mutual fund processing and transfer agency solutions, as well as the entities providing those services, are subject to regulatory oversight. Our business process outsourcing and mutual fund processing services are performed by a broker-dealer, Broadridge Business Process Outsourcing, LLC (“BBPO”). BBPO is registered with the SEC, is a member of FINRA and is required to participate in the Securities Investor Protection Corporation (“SIPC”). Although BBPO’s FINRA membership agreement allows it to engage in clearing, and the retailing of corporate securities in addition to mutual fund retailing on a wire order basis, BBPO does not clear customer transactions, process any retail business or carry customer accounts. BBPO is subject to regulations concerning many aspects of its business, including trade practices, capital requirements, record retention, money laundering prevention, the protection of customer funds and customer securities, and the supervision of the conduct of directors, officers and employees. A failure to comply with any of these laws, rules or regulations could result in censure, fine, the issuance of cease-and-desist orders, or the suspension or revocation of SEC or FINRA authorization granted to allow the operation of its business or disqualification of its directors, officers or employees. There has been continual regulatory scrutiny of the securities industry including the outsourcing by firms of their operations or functions. This oversight could result in the future enactment of more restrictive laws or rules with respect to business process outsourcing. As a registered broker-dealer and member of FINRA, BBPO is subject to the Uniform Net Capital Rule 15c3-1 of the Securities Exchange Act of 1934, as amended, which requires BBPO to maintain a minimum net capital amount. At June 30, 2019, BBPO was in compliance with this capital requirement.

BBPO, as a “Managing Clearing Member” of the Options Clearing Corporation (the “OCC”), is also subject to OCC Rule 309(b) with respect to the business process outsourcing services that it provides to other OCC “Managed Clearing Member” broker-dealers. OCC Rule 309(b) requires that BBPO maintain a minimum net capital amount. At June 30, 2019, BBPO was in compliance with this capital requirement.

Matrix Trust Company, a subsidiary of the Company (“Matrix Trust Company”), is a Colorado State non-depository trust company and National Securities Clearing Corporation trust member, whose primary business is to provide cash agent, custodial and directed trustee services to institutional customers, and investment management services to collective trust funds. As a result, Matrix Trust Company is subject to various regulatory capital requirements administered by the Colorado Division of Banking and the Arizona Department of Financial Institutions, as well as the National Securities Clearing Corporation. Specific capital guidelines that involve quantitative measures of assets, liabilities, and certain off-balance sheet items, when applicable, must be met. At June 30, 2019, Matrix Trust Company was in compliance with its capital requirements.

Our transfer agency business, Broadridge Corporate Issuer Solutions, is subject to certain SEC rules and regulations, including annual reporting, examination, internal controls, proper safeguarding of issuer and shareholder funds and securities, and obligations relating to its operations. Our transfer agency business has been formally approved by the NYSE to act as a transfer agent or registrar for issuers of NYSE listed securities and as a result, it is subject to certain NYSE requirements concerning operational standards. Furthermore, it is also subject to U.S. Internal Revenue Service (the “IRS”) regulations, as well as certain provisions of the Gramm-Leach-Bliley Act and the Federal Trade Commission’s regulations with respect to maintenance of information security safeguards. In addition, certain state laws govern certain services performed by our transfer agency business.

In addition, our regulated businesses are required to comply with anti-money laundering laws and regulations, such as, in the U.S., the Bank Secrecy Act, as amended by the USA PATRIOT Act of 2001 (collectively, the “BSA”), and the BSA implementing regulations of the Financial Crimes Enforcement Network (“FinCEN”), a bureau of the U.S. Department of the Treasury. A variety of similar anti-money laundering requirements apply in other countries.

### ***Privacy and Information Security Regulations***

The processing and transfer of personal information is required to provide certain of our services. Data privacy laws and regulations in the U.S. and foreign countries apply to the access, collection, transfer, use, storage, and destruction of personal information. In the U.S., our financial institution clients are required to comply with privacy regulations imposed under the Gramm-Leach-Bliley Act, in addition to other regulations. As a processor of personal information in our role as a provider of services to financial institutions, we are required to comply with privacy regulations and are bound by similar limitations on disclosure of the information received from our clients as apply to the financial institutions themselves. We also perform services for healthcare companies and are, therefore, subject to compliance with laws and regulations regarding healthcare information, including in the U.S., the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”). We also perform credit-related services and agree to comply with payment card standards, including the Payment Card Industry Data Security Standard (“PCIDSS”). In addition, federal and state privacy and information security laws, and consumer protection laws, which apply to businesses that collect or process personal information, also apply to our businesses.

Privacy laws and regulations may require notification to affected individuals, federal and state regulators, and consumer reporting agencies in the event of a security breach that results in unauthorized access to, or disclosure of, certain personal information. Privacy laws outside the U.S. may be more restrictive and may require different compliance requirements than U.S. laws and regulations, and may impose additional duties on us in the performance of our services.

There has been increased public attention regarding the use of personal information and data transfer, accompanied by legislation and regulations intended to strengthen data protection, information security and consumer and personal privacy. The law in these areas continues to develop and the changing nature of privacy laws in the U.S., the European Union and elsewhere could impact our processing of personal information of our employees and on behalf of our clients. The European Union Parliament adopted a comprehensive general data privacy regulation (the “GDPR”) that became effective in May 2018. While we believe that Broadridge is compliant with its regulatory responsibilities, information security threats continue to evolve resulting in increased risk and exposure. In addition, legislation, regulation, litigation, court rulings, or other events could expose Broadridge to increased costs, liability, and possible damage to our reputation.

### ***Legal Compliance***

Regulations issued by the Office of Foreign Assets Control (“OFAC”) of the U.S. Department of Treasury place prohibitions and restrictions on all U.S. citizens and entities, including the Company, with respect to transactions by U.S. persons with specified countries and individuals and entities identified on OFAC's sanctions lists and Specially Designated Nationals and Blocked Persons List (for example, individuals and companies owned or controlled by, or acting for or on behalf of, countries subject to certain economic and trade sanctions, as well as terrorists, terrorist organizations and narcotics traffickers identified by OFAC under programs that are not country specific). Similar requirements apply to transactions and dealings with persons and entities specified in lists maintained in other countries. We have developed procedures and controls that are designed to monitor and address legal and regulatory requirements and developments to protect against having direct business dealings with such prohibited countries, individuals or entities.

Compliance with foreign and U.S. laws and regulations that are applicable to our international operations is complex and may increase our cost of doing business in international jurisdictions. Our international operations could expose us to fines and penalties if we fail to comply with these regulations. These laws and regulations include import and export requirements, trade restrictions and embargoes, data privacy requirements, labor laws, tax laws, anti-competition regulations, U.S. laws such as the Foreign Corrupt Practices Act, and local laws prohibiting bribery and other improper payments or inducements, such as the U.K. Bribery Act. Although we have implemented policies, procedures and training designed to ensure compliance with these laws and regulations, there can be no assurance that our employees, contractors, vendors and agents will not take actions in violation of our policies, particularly as we expand our operations through organic growth and acquisitions, including acquisitions of businesses that were not previously subject to and may not have familiarity with U.S. and other laws and regulations applicable to us or compliance policies similar to ours. Any violations of sanctions or export control regulations or other laws could subject us to civil or criminal penalties, including the imposition of substantial fines and interest or prohibitions on our ability to offer our products and services to one or more countries, and could also damage our reputation, our international expansion efforts and our business, and negatively impact our operating results.



## Seasonality

Processing and distributing proxy materials and annual reports to investors comprises a large portion of our Investor Communication Solutions business. We process and distribute the greatest number of proxy materials and annual reports during our third and fourth fiscal quarters. The recurring periodic activity of this business is linked to significant filing deadlines imposed by law on public reporting companies. Historically, this has caused our revenues, operating income, net earnings, and cash flows from operating activities to be higher in our fourth fiscal quarter than in any other quarter. Beginning on July 1, 2018, the Company adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2014-09 “Revenue from Contracts with Customers” and its related amendments (collectively “ASU No. 2014-09”), resulting in the majority of our revenues from equity proxy services being recognized in the third and fourth fiscal quarters. Notwithstanding the impact of ASU No. 2014-09, the seasonality of our revenues makes it difficult to estimate future operating results based on the results of any specific fiscal quarter and could affect an investor’s ability to compare our financial condition, results of operations, and cash flows on a fiscal quarter-by-quarter basis.

## Employees

At June 30, 2019, we had over 11,000 employees. None of our employees are subject to collective bargaining agreements governing their employment with our company. We believe that our employee relations are good.

## Available Information

Our headquarters are located at 5 Dakota Drive, Lake Success, New York 11042, and our telephone number is (516) 472-5400.

We maintain an Investor Relations website at [www.broadridge-ir.com](http://www.broadridge-ir.com). We make available free of charge, on or through this website, our annual, quarterly and current reports, and any amendments to those reports as soon as reasonably practicable following the time they are electronically filed with or furnished to the SEC. To access these reports, just click on the “SEC Filings” link found at the top of our Investor Relations page. You can also access our Investor Relations page through our main website at [www.broadridge.com](http://www.broadridge.com) by clicking on the “Investor Relations” link, which is located at the top of our homepage. Information contained on our website is not incorporated by reference into this Annual Report on Form 10-K or any other report filed with or furnished to the SEC.

## ITEM 1A. Risk Factors

You should carefully consider each of the following risks and all of the other information set forth in this Annual Report on Form 10-K or incorporated by reference herein. Based on the information currently known to us, we believe that the following information identifies the material risk factors affecting our company. However, additional risks and uncertainties not currently known to us or that we currently believe to be immaterial may also adversely affect our business.

If any of the following risks and uncertainties develop into actual events, they could have a material adverse effect on our business, financial condition, or results of operations.

***Consolidation in the financial services industry could adversely affect our revenues by eliminating some of our existing and potential clients and could make us increasingly dependent on a more limited number of clients.***

Mergers or consolidations of financial institutions could reduce the number of our clients and potential clients. If our clients merge with or are acquired by other firms that are not our clients, or firms that use fewer of our services, they may discontinue or reduce the use of our services. In addition, it is possible that the larger financial institutions resulting from mergers or consolidations could decide to perform in-house some or all of the services that we currently provide or could provide. Any of these developments could have a material adverse effect on our business and results of operations.

***A large percentage of our revenues are derived from a small number of clients in the financial services industry.***

In fiscal year 2019, we derived approximately 22% of our consolidated revenues from our five largest clients and approximately 55% of the revenues of our Global Technology and Operations segment from the 15 largest clients in that segment. Our largest single client accounted for approximately 6% of our consolidated revenues in fiscal year 2019. While these clients generally work with multiple business segments, the loss of business from any of these clients due to merger or consolidation, financial difficulties or bankruptcy, or the termination or non-renewal of contracts could have a material adverse effect on our revenues and results of operations. Also, in the event a client experiences financial difficulties or bankruptcy resulting in a reduction in their demand for our services or loss of the client's business, in addition to losing the revenue from that client, the Company would be required to write-off any investments made by the Company in connection with that client, including costs incurred to set up or convert a client's systems to function with our technology. Such costs for all clients represented approximately 7% of the Company's total assets as of June 30, 2019.

Under a number of our contracts, our clients have the opportunity to renegotiate their contracts with us and to consider whether to renew their contracts or engage one of our competitors to provide services. If we are not successful in achieving high renewal rates with favorable terms, particularly with these clients, our revenues from such renewals and the associated earnings could be negatively impacted.

***Security breaches or cybersecurity attacks could adversely affect our ability to operate, could result in personal, confidential or proprietary information being misappropriated, and may cause us to be held liable or suffer harm to our reputation.***

We process and transfer sensitive data, including personal information, valuable intellectual property and other proprietary or confidential data provided to us by our clients, which include financial institutions, public companies, mutual funds, and healthcare providers. We also handle personal information of our employees in connection with their employment. We maintain systems and procedures including encryption, authentication technology, data loss prevention technology, entitlement management, access control and anti-malware software, and transmission of data over private networks to protect against unauthorized access to physical and electronic information, including by cyber-attacks.

In certain circumstances, our third-party vendors may have access to sensitive data including personal information. It is also possible that a third-party vendor could intentionally or inadvertently disclose sensitive data including personal information. We require our third-party vendors to have appropriate security controls if they have access to the personal information of our clients' customers. However, despite those safeguards, it is possible that unauthorized individuals could improperly access our systems or those of our vendors, or improperly obtain or disclose the sensitive data including personal information that we or our vendors process or handle.

Many of our services are provided through the Internet which increases our exposure to potential cybersecurity attacks. We have experienced cybersecurity threats to our information technology infrastructure and have experienced non-material cyber-attacks, attempts to breach our systems and other similar incidents. Future threats could cause harm to our business and our reputation and challenge our ability to provide reliable service, as well as negatively impact our results of operations materially. Our insurance coverage may not be adequate to cover all the costs related to cybersecurity attacks or disruptions resulting from such events.

Any security breach resulting in the unauthorized use or disclosure of certain personal information could put individuals at risk of identity theft and financial or other harm and result in costs to the Company in investigation, remediation, legal defense and in liability to parties who are financially harmed. We may incur significant costs to protect against the threat of information security breaches or to respond to or alleviate problems caused by such breaches. For example, laws may require notification to regulators, clients or employees and enlisting credit monitoring or identity theft protection in the event of a privacy breach. A cybersecurity attack could also be directed at our systems and result in interruptions in our operations or delivery of services to our clients and their customers. Furthermore, a material security breach could cause us to lose revenues, lose clients or cause damage to our reputation.

***Our clients are subject to complex laws and regulations, and new laws or regulations and/or changes to existing laws or regulations could impact our clients and, in turn, adversely impact our business or may reduce our profitability.***

We provide technology solutions to financial services firms that are generally subject to extensive regulation in the U.S. and in other jurisdictions. As a provider of services to financial institutions and issuers of securities, our services are provided in a manner designed to assist our clients in complying with the laws and regulations to which they are subject. Therefore, our services, such as our proxy and shareholder report distribution and processing and customer communications services, are particularly sensitive to changes in laws and regulations governing the financial services industry and the securities markets.

Our services and the fees we charge our clients for certain services are subject to change if applicable SEC or exchange laws or regulations are amended, or new laws or regulations are adopted, which could result in a negative impact on our business and financial results.

In addition, new regulations governing our clients could result in significant expenditures that could cause them to reduce their use of our services, seek to renegotiate existing agreements, or cease or curtail their operations, all of which could adversely impact our business. Further, an adverse regulatory action that changes a client's business or adversely affects its financial condition, could decrease their ability to purchase, or their demand for, our products and services. The loss of business from our larger clients could have a material adverse effect on our revenues and results of operations.

***Our business and results of operations may be adversely affected if we do not comply with legal and regulatory requirements that apply to our services or businesses, and new laws or regulations and/or changes to existing laws or regulations to which we are subject may adversely affect our ability to conduct our business or may reduce our profitability.***

The legislative and regulatory environment of the financial services industry is continuously changing. The SEC, FINRA, various stock exchanges, and other U.S. and foreign governmental or regulatory authorities continuously review legislative and regulatory initiatives and may adopt new or revised laws and regulations. These legislative and regulatory initiatives may adversely affect the way in which we conduct our business and may make our business less profitable. Also, changes in the interpretation or enforcement of existing laws and regulations by those entities may adversely affect our business.

As a provider of technology services to financial institutions, certain aspects of our U.S. operations are subject to regulatory oversight and examination by the FFIEC. Periodic examinations by the FFIEC generally include areas such as data privacy, disaster recovery, information security, and third-party vendor management to identify potential risks related to our services that could adversely affect our banking and financial services clients. A sufficiently unfavorable review from the FFIEC could have a material adverse effect on our business.

In addition, our business process outsourcing, mutual fund processing and transfer agency solutions as well as the entities providing those services are subject to regulatory oversight. Our provision of these services must comply with applicable rules and regulations of the SEC, FINRA, DOL and various stock exchanges, and other regulatory bodies charged with safeguarding the integrity of the securities markets and other financial markets and protecting the interests of investors participating in these markets. If we fail to comply with any applicable regulations in performing those services, we could lose our clients, be subject to suits for breach of contract or to governmental proceedings, censures and fines, our reputation could be harmed, and we could be limited in our ability to obtain new clients.

Our business process outsourcing and mutual fund processing services are performed by BBPO, an SEC registered broker-dealer and a member of FINRA. BBPO is subject to regulations concerning many aspects of its business, including trade practices, capital requirements, record retention, money laundering prevention, the protection of customer funds and customer securities, and the supervision of the conduct of directors, officers and employees. A failure to comply with any of these laws, rules or regulations could result in censures, fines, the issuance of cease-and-desist orders, or the suspension or revocation of SEC or FINRA authorization granted to allow the operation of its business or disqualification of its directors, officers or employees. Our transfer agency business is subject to SEC, NYSE, and other federal and state laws and regulations.

As a provider of data and business processing solutions, our systems contain a significant amount of sensitive data, including personal information, related to our clients, customers of our clients, and our employees. We are, therefore, subject to compliance obligations under federal, state and foreign privacy and information security laws, including in the U.S., the Gramm-Leach-Bliley Act and the Health Insurance Portability and Accountability Act of 1996, and we are subject to penalties for failure to comply with such regulations. Such penalties could have a material adverse effect on our financial condition, results of operations, or cash flows. There has been increased public attention regarding the use of personal information, accompanied by legislation and regulations intended to strengthen data protection, information security and consumer and personal privacy. The law in these areas continues to develop, the number of jurisdictions adopting such laws continues to increase and these laws may be inconsistent from jurisdiction to jurisdiction. Furthermore, the changing nature of privacy laws in the U.S., the European Union and elsewhere could impact our processing of personal information of our employees and on behalf of our clients. For example, the European Union Parliament adopted the GDPR which is a comprehensive data privacy regulation that became effective in May 2018. The GDPR imposes additional obligations and risks upon our businesses, including the risk of substantially increased penalties for non-compliance. While we believe that Broadridge is compliant with its regulatory responsibilities, information security threats continue to evolve resulting in increased risk and exposure and increased costs to protect against the threat of information security breaches or to respond to or alleviate problems caused by such breaches.

Our ability to comply with regulations depends largely upon the maintenance of an effective compliance system which can be time consuming and costly, as well as our ability to attract and retain qualified compliance personnel.

***Our revenues may decrease due to declines in the levels of participation and activity in the securities markets.***

We generate significant revenues from the transaction processing fees we earn from our services. These revenue sources are substantially dependent on the levels of participation and activity in the securities markets. The number of unique securities positions held by investors through our clients and our clients' customer trading volumes reflect the levels of participation and activity in the markets, which are impacted by market prices, and the liquidity of the securities markets, among other factors. Volatility in the securities markets and sudden sharp or gradual but sustained declines in market participation and activity can result in reduced investor communications activity, including reduced proxy and event-driven communications processing such as mutual fund proxy, mergers and acquisitions and other special corporate event communications processing, and reduced trading volumes. In addition, our event-driven fee revenues are based on the number of special events and corporate transactions we process. Event-driven activity is impacted by financial market conditions and changes in regulatory compliance requirements, resulting in fluctuations in the timing and levels of event-driven fee revenues. As such, the timing and level of event-driven activity and its potential impact on our revenues and earnings are difficult to forecast. The occurrence of any of these events would likely result in reduced revenues and decreased profitability from our business operations.

***We may be adversely impacted by a failure of third-party service providers to perform their functions.***

We rely on relationships with third parties, including our service providers and other vendors for certain functions. If we are unable to effectively manage our third-party relationships and the agreements under which our third-party vendors operate, our financial results or reputation could suffer. We rely on these third parties, including our data center and cloud services providers, to provide services in a timely and accurate manner and to adequately address their own cybersecurity risks. Failure by these third parties to adequately perform their services as expected could result in material interruptions in our operations, and negatively impact our services resulting in a material adverse effect on our business and financial results.

Certain of the Company's businesses rely on a single or a limited number of service providers or vendors. Changes in the business condition (financial or otherwise) of these service providers or vendors could impact their provision of services to us or they may no longer be able to provide services to us at all, which could have a material adverse effect on our business and financial results. In such circumstances, we cannot be certain that we will be able to replace our key third-party vendors in a timely manner or on terms commercially reasonable to us given, among other reasons, the scope of responsibilities undertaken by some of our providers, the depth of their experience and their familiarity with our operations generally.

If we change a significant vendor, an existing provider makes significant changes to the way it conducts its operations, or is acquired, or we seek to bring in-house certain services performed today by third parties, we may experience unexpected disruptions in the provision of our solutions, which could have a material adverse effect on our business and financial results.

Furthermore, certain third-party services providers or vendors may have access to sensitive data including personal information, valuable intellectual property and other proprietary or confidential data provided to us by our clients. It is possible that a third-party vendor could intentionally or inadvertently disclose sensitive data including personal information, which could have a material adverse effect on our business and financial results and damage our reputation.

***We rely on the United States Postal Service ("USPS") and other third-party carriers to deliver communications and changes in our relationships with these carriers or an increase in postal rates or shipping costs may adversely impact demand for our products and services and could have an adverse impact on our business and results of operations.***

We rely upon the USPS and third-party carriers, including UPS, for timely delivery of communications on behalf of our clients. As a result, we are subject to carrier disruptions due to factors that are beyond our control, including employee strikes, inclement weather and increased fuel costs. Any failure to deliver communications to our clients in a timely and accurate manner may damage our reputation and brand and could cause us to lose clients. In addition, the USPS has incurred significant financial losses in recent years and may, as a result, implement significant changes to the breadth or frequency of its mail delivery. If our relationship with any of these third-party carriers is terminated or impaired, or if any of these third parties are unable to distribute communications, we would be required to use alternative, and possibly more expensive, carriers to complete our distributions on behalf of our clients. We may be unable to engage alternative carriers on a timely basis or on acceptable terms, if at all, which could have an adverse effect on our business. In addition, future increases in postal rates or shipping costs, as well as changes in customer preferences, may result in decreased demand for our traditional printed and mailed communications resulting in an adverse effect on our business, financial condition and results of operations.

***In the event of a disaster, our disaster recovery and business continuity plans may fail, which could result in the loss of client data and adversely interrupt operations.***

Our operations are dependent on our ability to protect our infrastructure against damage from catastrophe, natural disaster, or severe weather including events resulting from unauthorized security breach, power loss, telecommunications failure, terrorist attack, or other events that could have a significant disruptive effect on our operations. We have disaster recovery and business continuity plans in place in the event of system failure due to any of these events and we test our plans regularly. In addition, our data center services provider also has disaster recovery plans and procedures in place. However, we cannot be certain that our plans, or those of our data center services provider, will be successful in the event of a disaster. If our disaster recovery or business continuity plans are unsuccessful in a disaster recovery scenario, we could potentially lose client data or experience material adverse interruptions to our operations or delivery of services to our clients, and we could be liable to parties who are financially harmed by those failures. In addition, such failures could cause us to lose revenues, lose clients or damage our reputation.

***Any slowdown or failure of our computer or communications systems could impact our ability to provide services to our clients and support our internal operations and could subject us to liability for losses suffered by our clients or their customers.***

Our services depend on our ability to store, retrieve, process, and manage significant databases, and to receive and process transactions and investor communications through a variety of electronic systems. Our systems, those of our data center and cloud services providers, or any other systems with which our systems interact could slow down significantly or fail for a variety of reasons, including:

- computer viruses or undetected errors in internal software programs or computer systems;
- direct or indirect hacking or denial of service cybersecurity attacks;
- inability to rapidly monitor all system activity;
- inability to effectively resolve any errors in internal software programs or computer systems once they are detected;
- heavy stress placed on systems during peak times; or
- power or telecommunications failure, fire, flood or any other disaster.

While we monitor system loads and performance and implement system upgrades to handle predicted increases in trading volume and volatility, we may not be able to predict future volume increases or volatility accurately or that our systems and those of our data center services and cloud services providers will be able to accommodate these volume increases or volatility without failure or degradation. In addition, we may not be able to prevent cybersecurity attacks on our systems. Moreover, because we have outsourced our data center operations and use third-party cloud services for storage of certain data, the operation, performance and security functions of the data center and the cloud system involve factors beyond our control. Any significant degradation or failure of our computer systems, communications systems or any other systems in the performance of our services could cause our clients or their customers to suffer delays in their receipt of our services. These delays could cause substantial losses for our clients or their customers, and we could be liable to parties who are financially harmed by those failures. In addition, such failures could cause us to lose revenues, lose clients or damage our reputation.

***Operational errors in the performance of our services could lead to liability for claims, client loss and result in reputational damage.***

The failure to properly perform our services could result in our clients and/or certain of our subsidiaries that operate regulated businesses being subjected to losses including censures, fines, or other sanctions by applicable regulatory authorities, and we could be liable to parties who are financially harmed by those errors. In addition, such errors could cause us to incur expenses, lose revenues, lose clients or damage our reputation.

***General economic and political conditions and broad trends in business and finance that are beyond our control may contribute to reduced levels of activity in the securities markets, which could result in lower revenues from our business operations.***

The number of unique securities positions held by investors through our clients, the level of investor communications activity we process on behalf of our clients, trading volumes, market prices, and liquidity of the securities markets are affected by general national and international economic and political conditions, and broad trends in business and finance that result in changes in participation and activity in the securities markets. These factors include:

- economic, political and market conditions;
- legislative and regulatory changes;

- the availability of short-term and long-term funding and capital;
- the level and volatility of interest rates;
- currency values and inflation; and
- national, state, and local taxation levels affecting securities transactions.

These factors are beyond our control and may contribute to reduced levels of participation and activity in the securities markets. Our revenues have historically been largely driven by transaction processing based on levels of participation and activity in the securities markets. Accordingly, any significant reduction in participation and activity in the securities markets would likely result in lower revenues from our business operations.

***If the operational systems and infrastructure that we depend on fail to keep pace with our growth, we may experience operating inefficiencies, client dissatisfaction and lost revenue opportunities.***

The growth of our business and expansion of our client base may place a strain on our management and operations. We believe that our current and anticipated future growth will require the implementation of new and enhanced communications and information systems, the training of personnel to operate these systems, and the expansion and upgrade of core technologies. While many of our systems are designed to accommodate additional growth without redesign or replacement, we may nevertheless need to make significant investments in additional hardware and software to accommodate growth. In addition, we cannot assure you that we will be able to predict the timing or rate of this growth accurately or expand and upgrade our systems and infrastructure on a timely basis.

Our growth has required and will continue to require increased investments in management personnel and systems, financial systems and controls, and office facilities. We cannot assure you that we will be able to manage or continue to manage our future growth successfully. If we fail to manage our growth, we may experience operating inefficiencies, dissatisfaction among our client base, and lost revenue opportunities.

***If we are unable to respond to the demands of our existing and new clients, or adapt to technological changes or advances, our business and future growth could be impacted.***

The global financial services industry is characterized by increasingly complex and integrated infrastructures and products, new and changing business models and rapid technological and regulatory changes. Our clients' needs and demands for our products and services evolve with these changes. Our future success will depend, in part, on our ability to respond to our clients' demands for new services, capabilities and technologies on a timely and cost-effective basis. We also need to adapt to technological advancements such as digital and distributed ledger or blockchain technologies and cloud computing and keep pace with changing regulatory standards to address our clients' increasingly sophisticated requirements. Transitioning to these new technologies may be disruptive to our resources and the services we provide and may increase our reliance on third-party service providers such as our cloud services provider.

In addition, we run the risk of disintermediation due to emerging technologies, including distributed ledger or blockchain technologies. If we fail to adapt or keep pace with new technologies in a timely manner, it could harm our ability to compete, decrease the value of our products and services to our clients, and harm our business and impact our future growth.

***Intense competition could negatively affect our ability to maintain or increase our market share and profitability.***

The markets for our products and services continue to evolve and are highly competitive. We compete with a number of firms that provide similar products and services. In addition, our securities processing solutions compete with our clients' in-house capabilities to perform competitive functions. Our competitors may be able to respond more quickly to new or changing opportunities, technologies, and client requirements and may be able to undertake more extensive promotional activities, offer more attractive terms to clients and adopt more aggressive pricing policies than we will be able to offer or adopt. In addition, we expect that the markets in which we compete will continue to attract new competitors and new technologies, including international providers of similar products and services to ours. There can be no assurances that we will be able to compete effectively with current or future competitors. If we fail to compete effectively, our market share could decrease and our business, financial condition, and results of operations could be materially harmed.

***Our business, financial position, and results of operations could be harmed by adverse rating actions by credit rating agencies.***

If the credit ratings of our outstanding indebtedness are downgraded, or if rating agencies indicate that a downgrade may occur, our business, financial position, and results of operations could be adversely affected and perceptions of our financial strength could be damaged. A downgrade would have the effect of increasing our borrowing costs and could decrease the availability of funds we are able to borrow, adversely affecting our business, financial position, and results of operations. In addition, a downgrade could adversely affect our relationships with our clients. For further information with respect to our borrowing costs, see Note 12, "Borrowings" to our Consolidated Financial Statements under Item 8 of Part II of this Annual Report on Form 10-K.

***We may be unable to attract and retain key personnel.***

Our continued success depends on our ability to attract and retain key personnel such as our senior management and other qualified personnel including highly skilled technical employees to conduct our business. Skilled and experienced personnel in the areas where we compete are in high demand, and competition for their talents is intense. There can be no assurance that we will be successful in our efforts to recruit and retain the required key personnel. If we are unable to attract and retain qualified individuals or our recruiting and retention costs increase significantly, our operations and financial results could be materially adversely affected.

***The inability to identify, obtain and retain important intellectual property rights to technology could harm our business.***

Our success depends in part upon the development, licensing, and acquisition of systems and applications to conduct our business. Our success will increasingly depend in part on our ability to identify, obtain and retain intellectual property rights to technology, both for internal use as well as for use in providing services to our clients, through internal development, acquisition, licensing from others, or alliances with others. Our inability to identify, obtain and retain rights to certain technology on favorable terms and conditions would make it difficult to conduct business, or to timely introduce new and innovative products and services, which could harm our business, financial condition, and results of operations.

***Our products and services, and the products and services provided to us by third parties, may infringe upon intellectual property rights of third parties, and any infringement claims could require us to incur substantial costs, distract our management, or prevent us from conducting our business.***

Although we attempt to avoid infringing upon known proprietary rights of third parties, we are subject to the risk of claims alleging infringement of third-party proprietary rights. If in response to a third-party infringement allegation, we were to determine that we require a license to such third-party's proprietary rights, then we may be unable to obtain such license on commercially reasonable terms. Additionally, third parties that provide us with products or services that are integral to the conduct of our business may also be subject to similar infringement allegations from others, which could prevent such third parties from continuing to provide these products or services to us. In either of these events, we may need to undertake substantial reengineering of our products or services in order to continue offering them, and we may not succeed in doing so. In addition, any claim of infringement could cause us to incur substantial costs defending such claim, even if the claim is baseless, and could distract our management from our business. Furthermore, a party asserting such an infringement claim could secure a judgment against us that requires us to pay substantial damages, grants such party injunctive relief, or grants other court ordered remedies that could prevent us from conducting our business.

***Acquisitions and integrating such acquisitions create certain risks and may affect operating results.***

As part of our overall business strategy, we may make acquisitions and strategic investments in companies, technologies or products, or enter joint ventures. These transactions and the integration of acquisitions involve a number of risks. The core risks are in the areas of:

- valuation: finding suitable businesses to acquire at affordable valuations or on other acceptable terms; competition for acquisitions from other potential acquirors, and negotiating a fair price for the business based on inherently limited due diligence reviews;
- integration: managing the complex process of integrating the acquired company's people, products, technology, and other assets, and converting their financial, information security, privacy and other systems and controls to meet our standards, so as to realize the projected value of the acquired company and the synergies projected to be realized in connection with the acquisition; and

- legacy issues: protecting against actions, claims, regulatory investigations, losses, and other liabilities related to the predecessor business.

Also, the process of integrating these businesses may disrupt our business and divert our resources. These risks may arise for a number of reasons including, for example:

- finding suitable businesses to acquire at affordable valuations or on other acceptable terms;
- competition for acquisitions from other potential acquirors;
- incurring unforeseen obligations or liabilities in connection with such acquisitions;
- devoting unanticipated financial and management resources to an acquired business;
- borrowing money from lenders or selling equity or debt securities to the public to finance future acquisitions on terms that may be adverse to us;
- loss of clients of the acquired business;
- entering markets where we have minimal prior experience; and
- experiencing decreases in earnings as a result of non-cash impairment charges.

In addition, international acquisitions often involve additional or increased risks including, for example:

- geographically separated organizations, systems, and facilities;
- integrating personnel with diverse business backgrounds and organizational cultures;
- complying with non-U.S. regulatory requirements;
- enforcing intellectual property rights in some non-U.S. countries; and
- general economic and political conditions.

***We may incur non-cash goodwill impairment charges in the future.***

As a result of past acquisitions, we carry a significant goodwill balance on our balance sheet. Goodwill accounted for approximately 39% of the total assets on our balance sheet as of June 30, 2019. We expect to engage in additional acquisitions, which will likely result in our recognition of additional goodwill. We test goodwill for impairment annually as of March 31st and at other times if events have occurred or circumstances exist that indicate the carrying value of goodwill may no longer be recoverable. Although no indications of a goodwill impairment have been identified, there can be no assurance that we will not incur impairment charges in the future, particularly in the event of a prolonged economic slowdown. A significant non-cash goodwill impairment could have a material adverse effect on our results of operations.

***We operate internationally and our operations could be adversely impacted by local legal, economic, political and other conditions.***

A portion of our revenue is generated outside the U.S. and in recent years, we have expanded our operations, entered strategic alliances, and acquired businesses outside the U.S. Also, our business is highly dependent on the global financial services industry and exchanges and market centers around the world. Compliance with foreign and U.S. laws and regulations that are applicable to our international operations could cause us to incur higher than anticipated costs, and inadequate enforcement of laws or policies such as those protecting intellectual property, could affect our business and the Company's overall results of operations. Our operations also could be affected by economic and political changes in those countries, particularly in those with developing economies, and by macroeconomic changes, including recessions, inflation and currency fluctuations between the U.S. dollar and non-U.S. currencies. For example, the United Kingdom's potential withdrawal from the European Union ("Brexit"), and the continued uncertainty surrounding the potential timing of such withdrawal, has caused, and may continue to cause, economic uncertainty including volatility in global stock markets and currency exchange rate fluctuations, resulting in a decline in the value of the British pound relative to the U.S. dollar. Brexit may also negatively impact our clients with operations in the United Kingdom, which may cause them to reduce their spending on our solutions and services. In addition, our operations and our ability to deliver our services to our clients could be adversely impacted if there is instability, disruption or destruction in certain geographic regions including as a result of natural or man-made disasters, wars, terrorist activities, or any widespread outbreak of an illness, pandemic or other local or global health issue.



*Certain of our services may be exposed to risk from our counterparties and third parties.*

Our mutual fund and exchange traded fund processing services and our transfer agency services involve the settlement of transactions on behalf of our clients and third parties. With these activities, we may be exposed to risk in the event our clients, or broker-dealers, banks, clearing organizations, or depositories are unable to fulfill contractual obligations. Failure to settle a transaction may affect our ability to conduct these services or may reduce their profitability as a result of the reputational risk associated with failure to settle.

*Our revenues are subject to seasonal variations because we process and distribute the greatest number of proxy materials and annual reports in our third and fourth fiscal quarters.*

Processing and distributing proxy materials and annual reports to investors comprises a large portion of our Investor Communication Solutions business. We process and distribute the greatest number of proxy materials and annual reports during our third and fourth fiscal quarters. The recurring periodic activity of this business is linked to significant filing deadlines imposed by law on public reporting companies. Historically, this has caused our revenues, operating income, net earnings, and cash flows from operating activities to be higher in our fourth fiscal quarter than in any other fiscal quarter. Beginning on July 1, 2019, the Company adopted ASU No. 2014-09 resulting in the majority of our revenues from equity proxy services being recognized in the third and fourth fiscal quarters. Notwithstanding the impact of ASU No. 2014-09, the seasonality of our revenues makes it difficult to estimate future operating results based on the results of any specific fiscal quarter and could affect an investor's ability to compare our financial condition, results of operations, and cash flows on a fiscal quarter-by-quarter basis.

#### **ITEM 1B. Unresolved Staff Comments**

None.

#### **ITEM 2. Properties**

We operate our business primarily from 75 facilities. We lease three facilities in Edgewood, New York, and facilities in El Dorado Hills, California; South Windsor, Connecticut; Kansas City, Missouri; Coppell, Texas; and Markham, Canada, with a combined space of 2.2 million square feet which are used in connection with our Investor Communication Solutions business. We also lease a facility in Newark, New Jersey, which houses our principal Global Technology and Operations business operations. We also lease space at 66 additional locations, subject to customary lease arrangements. Our leases expire on a staggered basis. We believe our facilities are currently adequate for their intended purposes and are adequately maintained.

#### **ITEM 3. Legal Proceedings**

In the normal course of business, the Company is subject to claims and litigation. While the outcome of any claim or litigation is inherently unpredictable, the Company believes that the ultimate resolution of these matters will not, individually or in the aggregate, result in a material impact on its financial condition, results of operations, or cash flows.

#### **ITEM 4. Mine Safety Disclosures**

Not applicable.

## PART II.

### ITEM 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock began trading "regular way" on the NYSE under the symbol "BR" on April 2, 2007. There were 10,576 stockholders of record of the Company's common stock as of July 31, 2019. This figure excludes the beneficial holders whose shares may be held of record by brokerage firms and clearing agencies.

#### Dividend Policy

We expect to pay cash dividends on our common stock. On July 31, 2019, our Board of Directors increased our quarterly cash dividend by \$0.055 per share to \$0.54 per share, an increase in our expected annual dividend amount from \$1.94 to \$2.16 per share. The declaration and payment of future dividends to holders of our common stock will be at the discretion of our Board of Directors, and will depend upon many factors, including our financial condition, earnings, capital requirements of our businesses, legal requirements, regulatory constraints, industry practice, and other factors that the Board of Directors deems relevant.

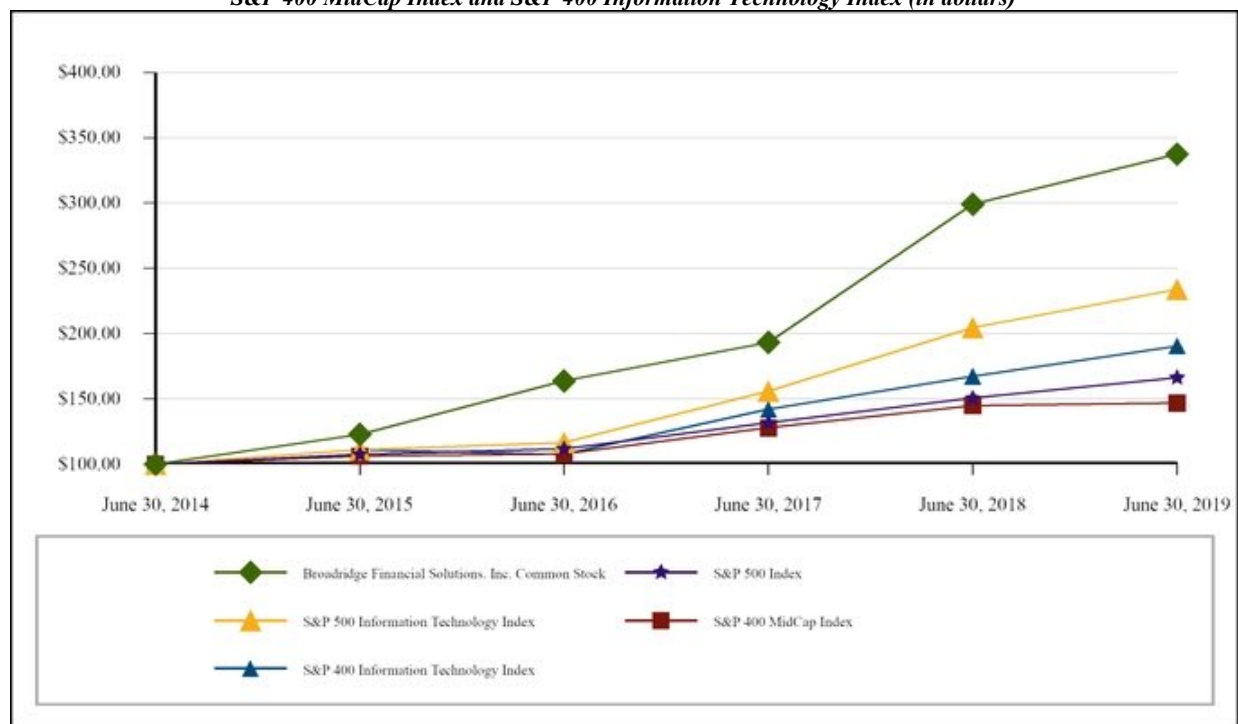
As a holding company, substantially all our assets being comprised of the capital stock of our subsidiaries, our ability to pay dividends will be dependent on our receiving dividends from our operating subsidiaries. Our subsidiaries through which we provide our business process outsourcing and mutual fund processing services, are regulated and may be subject to restrictions on their ability to pay dividends to us. We do not believe that these restrictions are significant enough to impact the Company's ability to pay dividends.

#### Performance Graph

The following graph compares the cumulative total return on Broadridge common stock from June 30, 2014 to June 30, 2019, with the comparable cumulative return of the: (i) S&P 500 Index, (ii) S&P 500 Information Technology Index, (iii) S&P 400 MidCap Index, and (iv) S&P 400 Information Technology Index. The graph assumes \$100 was invested on June 30, 2014 in our common stock and in each of the indices and assumes that all cash dividends are reinvested. The table below the graph shows the dollar value of those investments as of the dates in the graph. The comparisons in the graph are required by the SEC and are not intended to forecast or be indicative of future performance of our common stock.

The following performance graph and related information shall not be deemed "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 or the Exchange Act, each as amended, except to the extent that Broadridge specifically incorporates it by reference into such filing.

*Comparison of Five Year Cumulative Total Return Among Broadridge Financial Solutions, Inc., S&P 500 Index, S&P 500 Information Technology Index, S&P 400 MidCap Index and S&P 400 Information Technology Index (in dollars)*



	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Broadridge Financial Solutions, Inc. Common Stock	\$ 100.00	\$ 122.88	\$ 163.67	\$ 193.32	\$ 299.01	\$ 337.34
S&P 500 Index	\$ 100.00	\$ 107.42	\$ 111.69	\$ 131.67	\$ 150.59	\$ 166.26
S&P 500 Information Technology Index	\$ 100.00	\$ 111.10	\$ 116.42	\$ 155.87	\$ 204.66	\$ 234.00
S&P 400 MidCap Index	\$ 100.00	\$ 106.38	\$ 107.79	\$ 127.79	\$ 145.03	\$ 146.97
S&P 400 Information Technology Index	\$ 100.00	\$ 111.12	\$ 107.70	\$ 141.99	\$ 167.25	\$ 190.55

In June 2018, the Company became part of the S&P 500 Index, a leading market index of large-cap US equities. We elected to remove the S&P 400 MidCap Index and replace the S&P 400 Information Technology Index with the S&P 500 Information Technology Index as it is more representative of companies with market capitalizations comparable to Broadridge. All four indices are presented for this year of transition.

## Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table contains information about our purchases of our equity securities for each of the three months during our fourth fiscal quarter ended June 30, 2019:

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (2)
April 1, 2019 – April 30, 2019	211,960	\$ 105.00	—	6,651,256
May 1, 2019 – May 31, 2019	1,780,784	120.46	1,779,049	4,872,207
June 1, 2019 – June 30, 2019	320,774	127.16	320,685	4,551,522
Total	<u>2,313,518</u>	<u>\$ 119.97</u>	<u>2,099,734</u>	

(1) Includes 213,784 shares purchased from employees to pay taxes related to the vesting of restricted stock units.

(2) During the fiscal quarter ended June 30, 2019, the Company repurchased 2,099,734 shares of common stock at an average price per share of \$121.46 under its share repurchase program. At June 30, 2019, there were 4,551,522 shares remaining available for repurchase under its share repurchase program.

In addition, on July 31, 2019, Company's Board of Directors authorized the addition of 5,448,478 shares of Broadridge common stock to be available for repurchase. With this authorization, the Company currently has 10.0 million shares available for repurchase under its share repurchase program. Any share repurchases will be made in the open market or privately negotiated transactions in compliance with applicable legal requirements and other factors.

## ITEM 6. Selected Financial Data

The following selected financial data is derived from our Consolidated Financial Statements and should be read in conjunction with our Consolidated Financial Statements, the accompanying Notes to the Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations included in this Annual Report on Form 10-K.

	Years Ended June 30,				
	2019	2018	2017	2016	2015
	(in millions, except for per share amounts)				
Statements of Earnings Data					
Revenues (a)	\$ 4,362.2	\$ 4,329.9	\$ 4,142.6	\$ 2,897.0	\$ 2,694.2
Operating income (a) (b)	652.7	598.1	534.0	502.3	467.6
Earnings before income taxes (a)	607.3	561.0	488.1	468.9	438.9
Net earnings (a)	482.1	427.9	326.8	307.5	287.1
Basic earnings per share (a)	\$ 4.16	\$ 3.66	\$ 2.77	\$ 2.60	\$ 2.39
Diluted earnings per share (a)	\$ 4.06	\$ 3.56	\$ 2.70	\$ 2.53	\$ 2.32
Basic Weighted-average shares outstanding	115.9	116.8	118.0	118.3	119.9
Diluted Weighted-average shares outstanding	118.8	120.4	120.8	121.6	124.0
Cash dividends declared per common share	\$ 1.94	\$ 1.46	\$ 1.32	\$ 1.20	\$ 1.08
	June 30,				
	2019	2018	2017	2016	2015
	(in millions)				
Balance Sheet Data					
Cash and cash equivalents	\$ 273.2	\$ 263.9	\$ 271.1	\$ 727.7	\$ 324.1
Total current assets (a)	1,042.3	991.1	989.6	1,289.1	861.4
Property, plant and equipment, net	189.0	204.1	198.1	112.2	97.3
Total assets (a)	3,880.7	3,304.7	3,149.8	2,872.7	2,364.8
Total current liabilities (a)	802.6	777.3	744.9	692.9	508.9
Long-term debt, excluding current portion	1,470.4	1,053.4	1,102.1	890.7	686.0
Total liabilities (a)	2,753.2	2,210.4	2,146.0	1,827.3	1,437.0
Total stockholders' equity (a)	1,127.5	1,094.3	1,003.8	1,045.5	927.8

- (a) The Company adopted ASU No. 2014-09 on July 1, 2018, using the modified retrospective transition method with the cumulative effect of initially applying ASU No. 2014-09 recognized at the date of initial application. Accordingly, financial statement periods prior to July 1, 2018 have not been restated for the effects of ASU No. 2014-09. See Note 2, "Summary of Significant Accounting Policies", and Note 3, "Revenue Recognition" to our Consolidated Financial Statements under Item 8 of Part II of this Annual Report on Form 10-K for details of the Company's adoption of ASU No. 2014-09.
- (b) Effective in the first quarter of fiscal year 2019, the Company adopted Financial Accounting Standards Board ASU No. 2017-07, "Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost" ("ASU No. 2017-07") whereby the Company revised its presentation in the Consolidated Statements of Earnings to reflect the non-service cost components of net benefit cost as part of Other non-operating income (expenses), net, which were previously recorded as part of Total operating expenses. The Company has applied this guidance on a retrospective basis and accordingly, the Consolidated Statements of Earnings as of June 30, 2018, 2017, 2016 and 2015, respectively, have been updated to reflect this new classification.

## **ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations**

*This discussion summarizes the significant factors affecting the results of operations and financial condition of Broadridge during the fiscal years ended June 30, 2019 and 2018, and should be read in conjunction with our Consolidated Financial Statements and accompanying Notes thereto included elsewhere herein. Certain information contained in "Management's Discussion and Analysis of Financial Condition and Results of Operations" are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Statements that are not historical in nature and which may be identified by the use of words such as "expects," "assumes," "projects," "anticipates," "estimates," "we believe," "could be" and other words of similar meaning, are forward-looking statements. These statements are based on management's expectations and assumptions and are subject to risks and uncertainties that may cause actual results to differ materially from those expressed. Our actual results, performance or achievements may differ materially from the results discussed in this Item 7 because of various factors, including those set forth elsewhere herein. See "Forward-Looking Statements" and "Risk Factors" included in Item 1 of this Annual Report on Form 10-K.*

*The discussion summarizing the significant factors affecting the results of operations and financial condition of Broadridge during the fiscal year ended June 30, 2017 can be found in Part II, "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the fiscal year 2018 (the "2018 Annual Report"), which was filed with the Securities and Exchange Commission on August 7, 2018.*

### **DESCRIPTION OF THE COMPANY AND BUSINESS SEGMENTS**

Broadridge, a Delaware corporation and a part of the S&P 500, is a global financial technology leader providing investor communications and technology-driven solutions to banks, broker-dealers, asset and wealth managers and corporate issuers. Our services include investor communications, securities processing, data and analytics, and customer communications solutions. With over 50 years of experience, including over 10 years as an independent public company, we provide financial services firms with advanced, dependable, scalable and cost-effective integrated solutions and an important infrastructure that powers the financial services industry. Our solutions enable better financial lives by powering investing, governance and communications and help reduce the need for our clients to make significant capital investments in operations infrastructure, thereby allowing them to increase their focus on core business activities.

Our businesses operate in two reportable segments: Investor Communication Solutions and Global Technology and Operations.

#### ***Investor Communication Solutions***

We provide governance and communications solutions through our Investor Communication Solutions business segment to the following financial services clients: banks/broker-dealers, asset management firms/mutual funds, corporate issuers and wealth management firms. In addition to financial services firms, our Customer Communications business also serves companies in the healthcare, insurance, consumer finance, telecommunications, utilities and other service industries.

A large portion of our Investor Communication Solutions business involves the processing and distribution of proxy materials to investors in equity securities and mutual funds, as well as the facilitation of related vote processing. ProxyEdge® is our innovative electronic proxy delivery and voting solution for institutional investors and financial advisors that helps ensure the voting participation of the largest stockholders of many companies. We also provide the distribution of regulatory reports and corporate action/reorganization event information, as well as tax reporting solutions that help our clients meet their regulatory compliance needs.

For asset managers and retirement service providers, we offer data-driven solutions and an end-to-end platform for content management, composition, and multi-channel distribution of regulatory, marketing, and transactional information. Our data and analytics solutions provide investment product distribution data, analytical tools, insights, and research to enable asset managers to optimize product distribution across retail and institutional channels globally. We also provide mutual fund trade processing services for retirement providers, third party administrators, financial advisors, banks and wealth management professionals through Matrix.

In addition, we provide public corporations with a full suite of solutions to help manage their annual meeting process, including registered proxy distribution and processing services, proxy and annual report document management solutions, and solutions to gain insight into their shareholder base through our shareholder data services. We also provide financial reporting document composition and management, SEC disclosure and filing services, and registrar, stock transfer and record-keeping services through Broadridge Corporate Issuer Solutions.

Our wealth management solutions enable firms, financial advisors, wealth managers, and insurance agents to better engage with customers through digital marketing and customer communications tools. We integrate data, content and technology to drive new customer acquisition and cross-sell opportunities through the creation of sales and educational content, including seminars as well as customizable advisor websites, search engine marketing and electronic and print newsletters. Our advisor solutions also help advisors optimize their practice management through customer and account data aggregation and reporting.

We also provide customer communications solutions which include print and digital solutions, content management, postal optimization, and fulfillment services. The Broadridge Communications Cloud<sup>SM</sup> (the “Communications Cloud”) provides multi-channel communications delivery, communications management, information management and control and administration capabilities that enable and enhance our clients’ communications with their customers. In addition, we provide our clients with capabilities to enhance the consumer experience associated with essential communications such as consumer statements, bills and regulatory communications.

### ***Global Technology and Operations***

We are a leading global provider of securities processing solutions for capital markets, wealth management, and asset management firms. We offer advanced solutions that automate the securities transaction lifecycle, from desktop productivity tools, data aggregation, performance reporting, and portfolio management to order capture and execution, trade confirmation, margin, cash management, clearance and settlement, asset servicing, reference data management, reconciliations, securities financing and collateral optimization, compliance and regulatory reporting, and accounting.

Our services help financial institutions efficiently and cost-effectively consolidate their books and records, gather and service assets under management and manage risk, thereby enabling them to focus on their core business activities. Our multi-asset, multi-market, multi-entity and multi-currency solutions support real-time global trade processing of equity, fixed income, mutual fund, foreign exchange, and exchange traded derivatives.

In addition, we provide a comprehensive wealth management platform that offers capabilities across the entire wealth management lifecycle and streamlines all aspects of wealth management services, including account management, fee management and client on-boarding. Through our Managed Services, we provide business process outsourcing services that support the operations of our buy- and sell-side clients’ businesses and combine our technology with our operations expertise to support the entire trade lifecycle and provide front-, middle- and back-office solutions. We also provide buy-side technology solutions for the global investment management industry through our asset management solutions, including front-, middle- and back-office solutions for hedge funds, family offices, investment managers and the providers that service this space.

## **ACQUISITIONS**

Assets acquired and liabilities assumed in business combinations are recorded on the Company’s Consolidated Balance Sheets as of the respective acquisition date based upon the estimated fair values at such date. The results of operations of the business acquired by the Company are included in the Company’s Consolidated Statements of Earnings since the respective date of acquisition. The excess of the purchase price over the estimated fair values of the underlying assets acquired and liabilities assumed is allocated to Goodwill.

### **Fiscal Year 2019 Acquisitions:**

### **BUSINESS COMBINATIONS**

Financial information on each transaction is as follows:

	Rockall	RPM	TD Ameritrade	Total
	(in millions)			
Cash payments, net of cash acquired	\$ 34.9	\$ 258.3	\$ 61.5	\$ 354.7
Deferred payments, net	(0.1)	43.8	—	43.7
Contingent consideration liability (acquisition date fair value)	7.1	0.8	—	7.9
Aggregate purchase price	<u>\$ 41.9</u>	<u>\$ 302.9</u>	<u>\$ 61.5</u>	<u>\$ 406.4</u>

### **Rockall**

In May 2019, the Company acquired Rockall, a market leading provider of SBL and collateral management solutions for wealth management firms and commercial banks. The acquisition expands our core front- to back-office wealth capabilities, providing innovative SBL and collateral management technology solutions to help firms manage risk and optimize clients' securities lending and financing needs.

### **RPM**

In June 2019, Broadridge acquired RPM, a leading Canadian provider of enterprise wealth management software solutions and services. The acquisition brings important new capabilities and next-generation technology to clients of both RPM and Broadridge. RPM's state-of-the-art technology platforms build on our strong Canadian wealth management business, providing a solution set for the retail banking sector with enhanced mutual fund and deposit manufacturing capabilities.

### **TD Ameritrade**

In June 2019, Broadridge acquired the retirement plan custody and trust assets from TD Ameritrade, a subsidiary of TD Ameritrade Holding Company. The acquisition expands Broadridge's suite of solutions for the growing qualified and non-qualified retirement plan services market and the support it provides for third-party administrators, financial advisors, record-keepers, banks, and brokers.

### **Fiscal Year 2018 Acquisitions:**

### **BUSINESS COMBINATIONS**

Financial information on each transaction is as follows:

	Summit	ActivePath	FundAssist	Total
	(in millions)			
Cash payments, net of cash acquired	\$ 26.4	\$ 21.8	\$ 41.3	\$ 89.5
Deferred payments, net	1.4	2.4	—	3.8
Contingent consideration liability (acquisition date fair value)	2.7	—	6.4	9.2
Aggregate purchase price	<u>\$ 30.6</u>	<u>\$ 24.2</u>	<u>\$ 47.7</u>	<u>\$ 102.5</u>

### **Summit**

In October 2017, the Company acquired Summit Financial Disclosure, LLC ("Summit"), a full-service financial document management solutions provider, including document composition and regulatory filing services. Summit is part of our Corporate Issuer Solutions under our Investor Communication Solutions segment.

### **ActivePath**

In March 2018, the Company acquired ActivePath Solutions Ltd ("ActivePath"), a digital technology company with technology that enhances the consumer experience associated with consumer statements, bills and regulatory communications. ActivePath is part of our Customer Communications business under our Investor Communication Solutions segment.

### **FundAssist**

In May 2018, the Company acquired FundAssist Limited ("FundAssist"), a regulatory, marketing and sales solutions service provider to the global investments industry. Fund Assist is part of our Asset Management/Mutual Fund Solutions under our Investor Communication Solutions segment. FundAssist provides a suite of capabilities that enable the composition, management and distribution of digitized regulatory and disclosure documents for global fund managers distributing in Europe.



## **ASSET ACQUISITION**

### **Purchase of Intellectual Property**

In February 2018, the Company paid \$40.0 million to an affiliate of Inveshare, Inc. (“Inveshare”) for the delivery of blockchain technology applications, as contemplated as part of the Company’s acquisition of intellectual property assets from Inveshare.

## **BASIS OF PRESENTATION**

The Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles (“GAAP”) in the U.S. and in accordance with the U.S. Securities and Exchange Commission (the “SEC”) requirements for Annual Reports on Form 10-K. These financial statements present the consolidated position of the Company and include the entities in which the Company directly or indirectly has a controlling financial interest as well as various entities in which the Company has investments recorded under the equity method of accounting as well as certain marketable and non-marketable securities. Intercompany balances and transactions have been eliminated. Amounts presented may not sum due to rounding. Certain prior period amounts have been reclassified to conform to the current year presentation, except as it relates to (i) ASU No. 2014-09, (ii) ASU No. 2016-01, “Recognition and Measurement of Financial Assets and Financial Liabilities” (“ASU No. 2016-01”), (iii) ASU No. 2018-02, “Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income” (“ASU No. 2018-02”), and (iv) ASU No. 2016-09 “Improvements to Employee Share-Based Payment Accounting” (“ASU No. 2016-09”), as described further below.

In presenting the Consolidated Financial Statements, management makes estimates and assumptions that affect the amounts reported and related disclosures. Management continually evaluates the accounting policies and estimates used to prepare the Consolidated Financial Statements. The estimates, by their nature, are based on judgment, available information, and historical experience and are believed to be reasonable. However, actual amounts and results could differ from those estimates made by management. In management’s opinion, the Consolidated Financial Statements contain all normal recurring adjustments necessary for a fair presentation of results reported. The results of operations reported for the periods presented are not necessarily indicative of the results of operations for subsequent periods.

Effective July 1, 2018, we adopted ASU No. 2014-09 using the modified retrospective transition approach applied to all contracts. Under this transition approach, we have not restated the prior period Consolidated Financial Statements presented to the current period presentation. However, we have provided additional disclosures related to the amount by which each relevant fiscal 2019 financial statement line item was affected by the adoption of ASU No. 2014-09 along with explanations for significant changes. Additional information about the Company’s revenue recognition policies and the related impact of the adoption of ASU No. 2014-09 is included in Note 2, “Summary of Significant Accounting Policies” and Note 3, “Revenue Recognition”.

Effective July 1, 2018, we adopted ASU No. 2016-01, which requires changes in the fair value of publicly traded equity securities for which we do not have significant influence to be recorded as part of Net earnings rather than as Other comprehensive income (loss), net. In addition, equity investments that do not have a readily determinable fair value will be recorded at cost less impairment as further adjusted for observable price changes in orderly transactions for identical or similar investments of the issuer. We adopted ASU No. 2016-01 using the modified-retrospective transition approach by recording the cumulative effect of previously unrecognized gains or losses on publicly traded equity securities to retained earnings as of July 1, 2018. The provisions of ASU No. 2016-01 relative to equity investments that do not have a readily determinable fair value have been applied prospectively. The Consolidated Financial Statements have not been revised for periods prior to July 1, 2018. The impact of adopting ASU No. 2016-01 resulted in a reclassification of less than \$0.1 million in unrealized gains, net from accumulated other comprehensive loss to retained earnings as of July 1, 2018.

Effective July 1, 2018, we adopted ASU No. 2018-02, which allows a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects associated with the change in the U.S. federal corporate tax rate resulting from the U.S. Tax Cuts and Jobs Act (the “Tax Act”) enacted in December 2017. The adoption of ASU No. 2018-02 resulted in an increase to retained earnings of \$1.5 million.

Effective July 1, 2018, we adopted ASU No. 2017-07, “Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost” (“ASU No. 2017-07”) whereby we revised its presentation in the Consolidated Statements of Earnings to reflect the non-service cost components of net benefit cost as part of Other non-operating income (expenses), net, which were previously recorded as part of Total operating expenses. All prior period information has been conformed to the current period presentation.

Effective July 1, 2017, we adopted ASU No. 2016-09, which identifies areas for simplification involving several aspects of accounting for share-based payment transactions, including presenting the excess tax benefits (“ETB”) or deficits from the exercise or vesting of share-based payments in the income statement, classifying the ETB or deficits as an operating activity in the Consolidated Statements of Cash Flows rather than as a financing activity, a revision to the criteria for classifying an award as equity or liability and an option to recognize gross stock-based compensation expense with actual forfeitures recognized as they occur. In addition, ASU No. 2016-09 eliminates the ETB from the assumed proceeds calculation under the treasury stock method for purposes of calculating diluted shares. As a result of this adoption, we recorded ETB related to stock-based compensation awards of \$19.3 million and \$40.9 million during the twelve months ended June 30, 2019 and 2018 in the income tax provision on a prospective basis, whereas such benefits would previously have been recognized in equity. We also excluded the ETB from the assumed proceeds available to repurchase shares in the computation of diluted earnings per share for the twelve months ended June 30, 2019 and 2018. We have not adjusted prior periods presented for the change in accounting for ETB in the Consolidated Financial Statements. We also elected to apply the change in presentation of ETB in the Consolidated Statement of Cash Flows prospectively, and as a result, ETB are classified as operating activities when realized through reductions to subsequent tax payments. This adoption resulted in an increase to net cash provided by operating activities and a corresponding decrease to net cash provided by financing activities of \$19.3 million and \$40.9 million for the twelve months ended June 30, 2019 and 2018. We have not adjusted prior periods presented for the change in classification of ETB on the Consolidated Statement of Cash Flows. We also elected to continue our current practice of estimating expected forfeitures as permitted by ASU No. 2016-09.

## CRITICAL ACCOUNTING POLICIES

We continually evaluate the accounting policies and estimates used to prepare the Consolidated Financial Statements. The estimates, by their nature, are based on judgment, available information, and historical experience and are believed to be reasonable. However, actual amounts and results could differ from these estimates made by management. Certain accounting policies that require significant management estimates and are deemed critical to our results of operations or financial position are discussed below.

**Goodwill.** We review the carrying value of all our goodwill by comparing the carrying value of our reporting units to their fair values. We are required to perform this comparison at least annually or more frequently if circumstances indicate a possible impairment. When determining fair value of a reporting unit, we utilize the income approach which considers a discounted future cash flow analysis using various assumptions, including projections of revenues based on assumed long-term growth rates, estimated costs and appropriate discount rates based on the particular reporting unit’s weighted-average cost of capital. The principal factors used in the discounted cash flow analysis requiring judgment are the projected future operating cash flows based on forecasted earnings before interest and taxes, and the selection of the terminal value growth rate and discount rate assumptions. The weighted-average cost of capital takes into account the relative weight of each component of our consolidated capital structure (equity and long-term debt). Our estimates of long-term growth and costs are based on historical data, various internal estimates and a variety of external sources, and are developed as part of our routine, long-range planning process. Changes in economic and operating conditions impacting these assumptions could result in goodwill impairments in future periods. If the carrying amount of reporting unit goodwill exceeds the implied fair value of that goodwill, an impairment loss shall be recognized in an amount equal to that excess. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination is determined. We had \$1,500.0 million of goodwill as of June 30, 2019. Given the significance of our goodwill, an adverse change to the fair value of one of our reporting units could result in an impairment charge, which could be material to our earnings.

The Company performs a sensitivity analysis under Step 1 of the goodwill impairment test assuming hypothetical reductions in the fair values of our reporting units. A 10% change in our estimates of projected future operating cash flows, discount rates, or terminal value growth rates used in our calculations of the fair values of the reporting units would not result in an impairment of our goodwill.

**Income Taxes.** The objectives of accounting for income taxes are to recognize the amount of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in an entity’s financial statements or tax returns. Judgment is required in addressing the future tax consequences of events that have been recognized in our Consolidated Financial Statements or tax returns (e.g., realization of deferred tax assets, changes in tax laws or interpretations thereof). The Company is subject to regular examination of its income tax returns by the U.S. federal, state and foreign tax authorities. A change in the assessment of the outcomes of such matters could materially impact our Consolidated Financial Statements. The Company has estimated foreign net operating loss carryforwards of approximately \$9.5 million as of June 30, 2019 of which \$1.5 million are subject to expiration in the 2020 through 2028 period. The remaining \$8.0 million of carryforwards has an indefinite utilization period. In addition, the Company has estimated U.S. federal net operating loss carryforwards of approximately \$18.6 million which can be utilized through 2030. U.S. federal net operating loss

carryforwards resulting from tax losses beginning with the fiscal year ended June 30, 2019 have an indefinite carryforward under the Tax Act. The Company did not realize any federal net operating losses for the fiscal year ended June 30, 2019.

Valuation allowances are recognized to reduce deferred tax assets when it is more likely than not that the Company will not be able to utilize the deferred tax assets attributable to net operating and capital loss carryforwards of certain subsidiaries to offset future taxable earnings. The Company has recorded valuation allowances of \$3.3 million and \$3.8 million at June 30, 2019 and 2018, respectively. The determination as to whether a deferred tax asset will be recognized is made on a jurisdictional basis and is based on the evaluation of historical taxable income or loss, projected future taxable income, carryforward periods, scheduled reversals of deferred tax liabilities and tax planning strategies. Projected future taxable income is based on expected results and assumptions as to the jurisdiction in which the income will be earned. The assumptions used to project future taxable income requires significant judgment and are consistent with the plans and estimates used to manage the underlying businesses.

On the same date that the Tax Act was enacted, December 22, 2017, the SEC issued Staff Accounting Bulletin No. 118 (“SAB 118”) which provided the Company with up to one year to finalize accounting for the impacts of the Tax Act. Under SAB 118, the Company finalized the prior year estimate of the net tax impact to the Company arising from the enactment of the Tax Act, and recognized a tax benefit of approximately \$0.5 million in the fiscal year ended June 30, 2019.

**Share-based Payments.** Accounting for stock-based compensation requires the measurement of stock-based compensation expense based on the fair value of the award on the date of grant. We determine the fair value of stock options issued by using a binomial option-pricing model. The binomial option-pricing model considers a range of assumptions related to volatility, dividend yield, risk-free interest rate and employee exercise behavior. Expected volatilities utilized in the binomial option-pricing model are based on a combination of implied market volatilities, historical volatility of our stock price and other factors. Similarly, the dividend yield is based on historical experience and expected future changes. The risk-free rate is derived from the U.S. Treasury yield curve in effect at the time of grant. The binomial option-pricing model also incorporates exercise and forfeiture assumptions based on an analysis of historical data. The expected life of the stock option grants is derived from the output of the binomial model and represents the period of time that options granted are expected to be outstanding. Determining these assumptions are subjective and complex, and therefore, a change in the assumptions utilized could impact the calculation of the fair value of our stock options. A hypothetical change of five percentage points applied to the volatility assumption used to determine the fair value of the fiscal year 2019 stock option grants would result in approximately a \$2.1 million change in total pre-tax stock-based compensation expense for the fiscal year 2019 grants, which would be amortized over the vesting period. A hypothetical change of one year in the expected life assumption used to determine the fair value of the fiscal year 2019 stock option grants would result in approximately a \$0.8 million change in the total pre-tax stock-based compensation expense for the fiscal year 2019 grants, which would be amortized over the vesting period. A hypothetical change of one percentage point in the forfeiture rate assumption used for the fiscal year 2019 stock option grants would result in approximately a \$0.1 million change in the total pre-tax stock-based compensation expense for the fiscal year 2019 grants, which would be amortized over the vesting period. A hypothetical one-half percentage point change in the dividend yield assumption used to determine the fair value of the fiscal year 2019 stock option grants would result in approximately a \$0.9 million change in the total pre-tax stock-based compensation expense for the fiscal year 2019 grants, which would be amortized over the vesting period.

## RESULTS OF OPERATIONS

The following discussions of Analysis of Consolidated Statements of Earnings and Analysis of Reportable Segments refer to the fiscal year ended June 30, 2019 compared to the fiscal year ended June 30, 2018. The Analysis of Consolidated Statements of Earnings should be read in conjunction with the Analysis of Reportable Segments, which provides more detailed discussions concerning certain components of the Consolidated Statements of Earnings. Discussions of Analysis of Consolidated Statements of Earnings and Analysis of Reportable Segments for the fiscal year ended June 30, 2017 is disclosed in Part II, “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” of the 2018 Annual Report.

The following references are utilized in the discussions of Analysis of Consolidated Statements of Earnings and Analysis of Reportable Segments:

“Amortization of Acquired Intangibles and Purchased Intellectual Property” and “Acquisition and Integration Costs” represent certain non-cash amortization expenses associated with acquired intangible assets and purchased intellectual property assets, as well as certain transaction and integration costs associated with the Company’s acquisition activities, respectively.

“Gain on Sale of Securities” represents a non-operating gain on the sale of securities associated with our retirement plan obligations.

“Tax Act items” represent a U.S. federal transition tax on earnings of certain foreign subsidiaries, foreign jurisdiction withholding taxes with respect to the earnings deemed repatriated for U.S. tax purposes, and certain benefits related to the remeasurement of the Company’s net U.S. federal and state deferred tax liabilities attributable to the recording of the impact from the Tax Act, which was enacted into law on December 22, 2017.

“Net New Business” refers to recurring revenue from closed sales less recurring revenue from client losses.

The following definitions describe the Company’s Revenues:

Fee revenues in the Investor Communication Solutions segment are derived from both recurring and event-driven activity. In addition, the level of recurring and event-driven activity we process directly impacts distribution revenues. While event-driven activity is highly repeatable, it may not recur on an annual basis. The types of services we provide that comprise event-driven activity are:

- **Mutual Fund Proxy:** The proxy and related services we provide to mutual funds when certain events occur requiring a shareholder vote including changes in directors, sub-advisors, fee structures, investment restrictions, and mergers of funds.
- **Mutual Fund Communications:** Mutual fund communications services consist primarily of the distribution on behalf of mutual funds of supplemental information required to be provided to the annual mutual fund prospectus as a result of certain triggering events such as a change in portfolio managers. In addition, mutual fund communications consist of notices and marketing materials such as newsletters.
- **Proxy Contests and Specials, Corporate Actions, and Other:** The proxy services we provide in connection with shareholder meetings driven by special events such as proxy contests, mergers and acquisitions, and tender/exchange offers.

Event-driven fee revenues are based on the number of special events and corporate transactions we process. Event-driven activity is impacted by financial market conditions and changes in regulatory compliance requirements, resulting in fluctuations in the timing and levels of event-driven fee revenues. As such, the timing and level of event-driven activity and its potential impact on revenues and earnings are difficult to forecast. During the three months ended December 31, 2018, we were initially able to separate certain annually recurring mutual fund related communications that were previously included in event-driven fee revenues. These activities were presented within recurring fee revenues commencing in the three months ended December 31, 2018. We were not able to reliably estimate the portion of event-driven fee revenues attributable to these activities in prior periods. We added approximately \$12 million to recurring fee revenues for the year ended June 30, 2019, and is captured within recurring fee revenues internal growth.

Generally, mutual fund proxy activity has been subject to a greater level of volatility than the other components of event-driven activity. During fiscal year 2019, mutual fund proxy fee revenues were 14% lower than the prior fiscal year while during fiscal year 2018 mutual fund proxy revenues were 28% higher than the prior fiscal year. Although it is difficult to forecast the levels of event-driven activity, we expect that the portion of fee revenues derived from mutual fund proxy activity may continue to experience volatility in the future.

Distribution revenues primarily include revenues related to the physical mailing of proxy materials, interim communications, transaction reporting, customer communications and fulfillment services as well as Matrix administrative services.

Distribution cost of revenues consists primarily of postage-related expenses incurred in connection with our Investor Communication Solutions segment, as well as Matrix administrative services expenses. These costs are reflected in Cost of revenues.

Closed sales represent an estimate of the expected annual recurring fee revenue for new client contracts that were signed by Broadridge in the current reporting period. Closed sales does not include event-driven or distribution activity. We consider contract terms, expected client volumes or activity, knowledge of the marketplace and experience with our clients, among other factors, when determining the estimate. Management uses Closed sales to measure the effectiveness of our sales and marketing programs, as an indicator of expected future revenues and as a performance metric in determining incentive compensation.

Closed sales is not a measure of financial performance under GAAP and should not be considered in isolation or as a substitute for revenue or other income statement data prepared in accordance with GAAP. Closed sales is a useful metric for investors in understanding how management measures and evaluates our ongoing operational performance.

The inherent variability of transaction volumes and activity levels can result in some variability of amounts reported as actual achieved Closed sales. Larger Closed sales can take up to 12 to 24 months or longer to convert to revenues, particularly for the services provided by our Global Technology and Operations segment. For fiscal years ended June 30, 2019 and 2018, we are reporting Closed sales net of a 4.0% allowance adjustment. Consequently, our reported Closed sales amounts are not adjusted for actual revenues achieved because these adjustments are estimated in the period the sale is reported. We assess the allowance amount at the end of each fiscal year to establish the appropriate allowance for the subsequent year using trailing five years actual data as the starting point, normalized for outlying factors, if any, to enhance the accuracy of the allowance.

For the fiscal years ended June 30, 2019 and 2018, Closed sales were \$233.3 million and \$214.9 million, respectively. The fiscal years ended June 30, 2019 and 2018, are net of an allowance adjustment of \$9.7 million and \$9.0 million, respectively.

## ANALYSIS OF CONSOLIDATED STATEMENTS OF EARNINGS

### Fiscal Year 2019 Compared to Fiscal Year 2018

The table below presents Consolidated Statements of Earnings data for the fiscal years ended June 30, 2019 and 2018, and the dollar and percentage changes between periods:

	Years Ended June 30,			
			Change	
			(\$)	(%)
	2019	2018		
	(in millions, except for per share amounts)			
Revenues	\$ 4,362.2	\$ 4,329.9	\$ 32.3	1
Cost of revenues	3,131.9	3,167.4	(35.4)	(1)
Selling, general and administrative expenses	577.5	564.5	13.1	2
Total operating expenses	3,709.5	3,731.8	(22.3)	(1)
Operating income	652.7	598.1	54.6	9
Margin	15.0%	13.8%		1.2 pts
Interest expense, net	(41.8)	(38.6)	(3.2)	8
Other non-operating income (expenses), net	(3.7)	1.5	(5.2)	(347)
Earnings before income taxes	607.3	561.0	46.2	8
Provision for income taxes	125.2	133.1	(7.9)	(6)
Effective tax rate	20.6%	23.7%		(3.1) pts
Net earnings	\$ 482.1	\$ 427.9	\$ 54.1	13
Basic earnings per share	\$ 4.16	\$ 3.66	\$ 0.50	14
Diluted earnings per share	\$ 4.06	\$ 3.56	\$ 0.50	14

#### Revenues

Revenues increased \$32.3 million, or 1%, to \$4,362.2 million from \$4,329.9 million as a result of:

	Years Ended June 30,			
	2019	2018	Change	
			\$	%
	(\$ in millions)			
Recurring fee revenues	\$ 2,759.3	\$ 2,610.4	\$ 148.9	6
Event-driven fee revenues	244.5	283.9	(39.4)	(14)
Distribution revenues	1,460.8	1,512.9	(52.1)	(3)
Foreign currency exchange	(102.4)	(77.3)	(25.1)	32
Total	\$ 4,362.2	\$ 4,329.9	\$ 32.3	1

	Points of Growth			
	Net New Business	Internal Growth	Acquisitions	Total
Recurring fee revenue Growth Drivers	3pts	1pt	1pt	6 %

- The impact of the ASC 606 revenue accounting change on recurring fee revenue was negligible.
- The lower event-driven fee revenues were primarily the result of lower equity proxy contest and mutual fund proxy activity compared to fiscal year 2018.
- Distribution revenues decreased \$52.1 million, or 3%, to \$1,460.8 million from lower transactional print volumes and the decrease in Event-driven fee revenues.
- The strengthening of the U.S. dollar against other currencies negatively impacted revenues by \$25.1 million.

**Total operating expenses.** Operating expenses decreased \$22.3 million, or 1%, to \$3,709.5 million from \$3,731.8 million as a result of:

- Cost of revenues - The decrease of \$35.4 million in cost of revenues primarily reflects: lower distribution cost of revenues driven by the decrease in distribution revenues, partially offset by higher operating costs from acquisitions and higher proxy fulfillment expenses. Fluctuations in foreign currency exchange rates decreased cost of revenues by \$21.9 million.
- Selling, general and administrative expenses - The increase of \$13.1 million in selling, general, and administrative expenses primarily reflects: higher labor expenses, including higher performance-based compensation expense, partially offset by lower spending on growth initiatives.

**Operating income.** Operating income margins increased to 15.0% for the fiscal year ended June 30, 2019, compared to 13.8% for the fiscal year ended June 30, 2018, primarily due to the increase in recurring fee revenues.

**Interest expense, net.** Interest expenses, net, was \$41.8 million, an increase of \$3.2 million from \$38.6 million in the fiscal year ended June 30, 2018. The increase of \$3.2 million was primarily due to an increase in interest expense primarily due to higher borrowing costs, partially offset by an increase in interest income.

**Other non-operating income (expenses), net.** Other non-operating income, net for the fiscal year ended June 30, 2019 was \$3.7 million, a decrease of \$5.2 million, compared to \$1.5 million of Other non-operating expenses, net for the fiscal year ended June 30, 2018. The decrease of \$5.2 million was primarily due to higher expense related to fluctuations in foreign currency exchange rates, a decrease due to lower investment gains, and higher losses related to minority equity investments.

**Provision for income taxes.**

- Effective tax rate for the fiscal year ended June 30, 2019 - 20.6%.
- Effective tax rate for the fiscal year ended June 30, 2018 - 23.7%.

The decrease in the effective tax rate for the fiscal year ended June 30, 2019 compared to the fiscal year ended June 30, 2018 is primarily due to: (i) the U.S. federal corporate income tax rate change from 35% to 21% under the Tax Act, which resulted in a blended U.S. federal corporate income tax rate of 28.1% for the prior year and a 21% tax rate for the current year; and, (ii) the Company accrued a one-time net expense of approximately \$15.4 million to reflect a one-time transition tax on earnings of certain foreign subsidiaries at December 31, 2017, partially offset by a benefit related to the remeasurement of the Company's net U.S. federal and state deferred tax liabilities, for which this expense did not recur in the current year, partially offset by (iii) the recognition of \$19.3 million in ETB attributable to stock-based compensation compared to a \$40.9 million ETB in the prior year.

**ASC 606 Revenue Accounting Change.** For the fiscal year ended June 30, 2018, if the prior year basis of revenue accounting followed the current year basis of revenue accounting:

- Recurring fee revenues would have been \$0.4 million higher,
- Event-driven fee revenues would have been \$2.2 million lower, and
- Distribution revenues would have been \$9.6 million higher.

## ANALYSIS OF REPORTABLE SEGMENTS

Broadridge has two reportable business segments: (1) Investor Communication Solutions and (2) Global Technology and Operations.

The primary component of "Other" are certain gains, losses, corporate overhead expenses and non-operating expenses that have not been allocated to the reportable segments, such as interest expense. Foreign currency exchange is a reconciling item between the actual foreign currency exchange rates and the constant foreign currency exchange rates used for internal management reporting.

Certain corporate expenses, as well as certain centrally managed expenses, are allocated based upon budgeted amounts in a reasonable manner. Because the Company compensates the management of its various businesses on, among other factors, segment profit, the Company may elect to record certain segment-related operating and non-operating expense items in Other rather than reflect such items in segment profit.

## Revenues

	Years Ended June 30,			
			Change	
	2019	2018	\$	%
	(\$ in millions)			
Investor Communication Solutions	\$ 3,511.1	\$ 3,495.6	\$ 15.4	—
Global Technology and Operations	953.5	911.6	42.0	5
Foreign currency exchange	(102.4)	(77.3)	(25.1)	32
Total	\$ 4,362.2	\$ 4,329.9	\$ 32.3	1

## Earnings (Loss) before Income Taxes

	Years Ended June 30,			
	2019	2018	Change	
			\$	%
	(\$ in millions)			
Investor Communication Solutions	\$ 508.4	\$ 494.6	\$ 13.8	3
Global Technology and Operations	210.3	199.3	11.1	6
Other	(130.9)	(151.4)	20.5	(14)
Foreign currency exchange	19.4	18.6	0.9	4
Total	\$ 607.3	\$ 561.0	\$ 46.2	8

## Investor Communication Solutions

### Fiscal Year 2019 Compared to Fiscal Year 2018

Revenues increased \$15.4 million to \$3,511.1 million from \$3,495.6 million, and earnings before income taxes increased \$13.8 million to \$508.4 million from \$494.6 million as a result of:

	Years Ended June 30,			
	2019	2018	Change	
			\$	%
(\$ in millions)				
<b>Revenues</b>				
Recurring fee revenues	\$ 1,805.8	\$ 1,698.9	\$ 106.9	6
Event-driven fee revenues	244.5	283.9	(39.4)	(14)
Distribution revenues	1,460.8	1,512.9	(52.1)	(3)
Total	\$ 3,511.1	\$ 3,495.6	\$ 15.4	—

### Earnings before Income Taxes

Earnings before income taxes	<u>\$ 508.4</u>	<u>\$ 494.6</u>	<u>\$ 13.8</u>	3
Pre-tax Margin	14.5%	14.1%		

	Points of Growth			
	Net New Business	Internal Growth	Acquisitions	Total
Recurring fee revenue Growth Drivers	4pts	1pt	1pt	6 %

- The impact of the ASC 606 revenue accounting change on recurring fee revenue was negligible.
- With respect to recurring fees, position growth compared to the same period in the prior year, which is a component of internal growth, was 6% for annual equity proxy communications and 9% for mutual fund and ETF interims.



- Lower event-driven fee revenues were primarily the result of lower equity proxy contest and mutual fund proxy activity compared to fiscal year 2018.
- Lower distribution revenues resulted from lower transactional print volumes and the decrease in Event-driven fee revenues.
- The earnings increase of \$13.8 million was primarily due to higher recurring fee revenues more than offsetting lower event-driven fee revenues.
- Pre-tax margins increased by 0.4 percentage points to 14.5% from 14.1%. Considering the impact of the revenue accounting change, pre-tax margins for the year ended June 30, 2018 would have been 14.4%.

## Global Technology and Operations

### Fiscal Year 2019 Compared to Fiscal Year 2018

Revenues increased \$42.0 million to \$953.5 million from \$911.6 million, and earnings before income taxes increased \$11.1 million to \$210.3 million from \$199.3 million as a result of:

	Years Ended June 30,			
			Change	
	2019	2018	\$	%
	(\$ in millions)			
<b>Revenues</b>				
Recurring fee revenues	\$ 953.5	\$ 911.6	\$ 42.0	5
<b>Earnings before Income Taxes</b>				
Earnings before income taxes	\$ 210.3	\$ 199.3	\$ 11.1	6
Pre-tax Margin	22.1%	21.9%		

	Points of Growth			
	Net New Business	Internal Growth	Acquisitions	Total
Recurring fee revenue Growth Drivers	3pts	1pt	1pt	5%

- The impact of the ASC 606 revenue accounting change on recurring fee revenue was negligible.
- The earnings increase was primarily due to higher organic revenues, partially offset by the impact of incremental expenditures to win, implement and support new business as well as ongoing new product development.
- Pre-tax margins increased by 0.2 percentage points to 22.1% from 21.9%.

## Other

Loss before income taxes was \$130.9 million for the fiscal year ended June 30, 2019, a decrease of \$20.5 million, or 14%, compared to \$151.4 million for the fiscal year ended June 30, 2018.

- The decreased loss was primarily due to lower spending on growth initiatives and other corporate expenses, partially offset by a decrease in investment gains and higher interest expense compared to the prior year period.

## Explanation and Reconciliation of the Company's Use of Non-GAAP Financial Measures

The Company's results in this Annual Report on Form 10-K are presented in accordance with U.S. GAAP except where otherwise noted. In certain circumstances, results have been presented that are not generally accepted accounting principles measures ("Non-GAAP"). These Non-GAAP measures are Adjusted Operating income, Adjusted Operating income margin, Adjusted Net earnings, Adjusted earnings per share, and Free cash flow. These Non-GAAP financial measures should be viewed in addition to, and not as a substitute for, the Company's reported results.

The Company believes our Non-GAAP financial measures help investors understand how management plans, measures and evaluates the Company's business performance. Management believes that Non-GAAP measures provide consistency in its financial reporting and facilitates investors' understanding of the Company's operating results and trends by providing an additional basis for comparison. Management uses these Non-GAAP financial measures to, among other things, evaluate our ongoing operations, for internal planning and forecasting purposes and in the calculation of performance-based compensation. In addition, and as a consequence of the importance of these Non-GAAP financial measures in managing our business, the Company's Compensation Committee of the Board of Directors incorporates Non-GAAP financial measures in the evaluation process for determining management compensation.

#### **Adjusted Operating Income, Adjusted Operating Income Margin, Adjusted Net Earnings and Adjusted Earnings Per Share**

These Non-GAAP measures reflect Operating income, Operating income margin, Net earnings, and Diluted earnings per share, as adjusted to exclude the impact of certain costs, expenses, gains and losses and other specified items that management believes are not indicative of our ongoing operating performance. These adjusted measures exclude the impact of: (i) Amortization of Acquired Intangibles and Purchased Intellectual Property, (ii) Acquisition and Integration Costs, (iii) Tax Act items and (iv) the Gain on Sale of Securities. Amortization of Acquired Intangibles and Purchased Intellectual Property represents non-cash amortization expenses associated with the Company's acquisition activities. Acquisition and Integration Costs represent certain transaction and integration costs associated with the Company's acquisition activities. Tax Act items represent the net impact of a U.S. federal transition tax on earnings of certain foreign subsidiaries, foreign jurisdiction withholding taxes and certain benefits related to the remeasurement of the Company's net U.S. federal and state deferred tax liabilities attributable to the Tax Act. The Gain on Sale of Securities represents a non-operating gain on the sale of securities associated with the Company's retirement plan obligations.

We exclude Tax Act items and Gain on Sale of Securities from our adjusted earnings measures because excluding such information provides us with an understanding of the results from the primary operations of our business and these items do not reflect ordinary operations or earnings. We also exclude the impact of Amortization of Acquired Intangibles and Purchased Intellectual Property, as these non-cash amounts are significantly impacted by the timing and size of individual acquisitions and do not factor into the Company's capital allocation decisions, management compensation metrics or multi-year objectives. Furthermore, management believes that this adjustment enables better comparison of our results as Amortization of Acquired Intangibles and Purchased Intellectual Property will not recur in future periods once such intangible assets have been fully amortized. Although we exclude Amortization of Acquired Intangibles and Purchased Intellectual Property from our adjusted earnings measures, our management believes that it is important for investors to understand that these intangible assets contribute to revenue generation. Amortization of intangible assets that relate to past acquisitions will recur in future periods until such intangible assets have been fully amortized. Any future acquisitions may result in the amortization of additional intangible assets.

#### **Free Cash Flows**

In addition to the Non-GAAP financial measures discussed above, we provide Free cash flow information because we consider Free cash flow to be a liquidity measure that provides useful information to management and investors about the amount of cash generated that could be used for dividends, share repurchases, strategic acquisitions, other investments, as well as debt servicing. Free cash flow is a Non-GAAP financial measure and is defined by the Company as Net cash flows provided by operating activities less Capital expenditures as well as Software purchases and capitalized internal use software.

Set forth below is a reconciliation of such Non-GAAP measures to the most directly comparable GAAP measures (unaudited):

	Years ended June 30,	
	2019	2018
	(in millions)	
Operating income (GAAP)	\$ 652.7	\$ 598.1
Adjustments:		
Amortization of Acquired Intangibles and Purchased Intellectual Property	87.4	81.4
Acquisition and Integration Costs	6.4	8.8
Adjusted Operating income (Non-GAAP)	\$ 746.5	\$ 688.2
Operating income margin (GAAP)	15.0%	13.8%
Adjusted Operating income margin (Non-GAAP)	17.1%	15.9%

	Years ended June 30,	
	2019	2018
	(in millions)	
Net earnings (GAAP)	\$ 482.1	\$ 427.9
Adjustments:		
Amortization of Acquired Intangibles and Purchased Intellectual Property	87.4	81.4
Acquisition and Integration Costs	6.4	8.8
Gain on Sale of Securities	—	(5.5)
Taxable adjustments	93.8	84.7
Tax act items	—	15.4
Tax impact of adjustments (a)	(22.3)	(23.9)
Adjusted Net earnings (Non-GAAP)	\$ 553.6	\$ 504.1

	Years ended June 30,	
	2019	2018
	(in millions)	
Diluted earnings per share (GAAP)	\$ 4.06	\$ 3.56
Adjustments:		
Amortization of Acquired Intangibles and Purchased Intellectual Property	0.74	0.68
Acquisition and Integration Costs	0.05	0.07
Gain on Sale of Securities	—	(0.05)
Taxable adjustments	0.79	0.70
Tax Act Items	—	0.13
Tax impact of adjustments (a)	(0.19)	(0.20)
Adjusted earnings per share (Non-GAAP)	\$ 4.66	\$ 4.19

(a) Calculated using the GAAP effective tax rate, adjusted to exclude \$19.3 million of ETB associated with stock-based compensation for the fiscal year ended June 30, 2019, and \$40.9 million of ETB associated with stock-based compensation for the fiscal year ended June 30, 2018, as well as the net \$15.4 million charges associated with the Tax Act for the fiscal year ended June 30, 2018. For purposes of calculating the Adjusted earnings per share, the same adjustments were made on a per share basis.

	Years ended June 30,	
	2019	2018
	(in millions)	
Net cash flows provided by operating activities (GAAP)	\$ 617.0	\$ 693.6
Capital expenditures and Software purchases and capitalized internal use software	(72.6)	(97.9)
Free cash flow (Non-GAAP)	\$ 544.4	\$ 595.7

## FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents consisted of the following:

	June 30,	
	2019	2018
	(in millions)	
Cash and cash equivalents:		
Domestic cash	\$ 95.5	\$ 98.2
Cash held by foreign subsidiaries	99.8	103.6
Cash held by regulated entities	77.9	62.0
Total cash and cash equivalents	\$ 273.2	\$ 263.9

At June 30, 2019 and 2018, Cash and cash equivalents were \$273.2 million and \$263.9 million, respectively. Total stockholders' equity was \$1,127.5 million and \$1,094.3 million at June 30, 2019 and 2018, respectively. At June 30, 2019, net working capital was \$239.8 million compared to \$213.8 million at June 30, 2018. At the current time, and in future periods, we expect cash generated by our operations, together with existing cash, cash equivalents, and borrowing capacity, to be sufficient to cover cash needs for working capital, capital expenditures, strategic acquisitions, dividends and common stock repurchases.

At June 30, 2019, \$99.8 million of the \$273.2 million of Cash and cash equivalents were held by our foreign subsidiaries, and \$77.9 million of Cash and cash equivalents were held by regulated entities. We expect existing domestic cash, cash equivalents, and cash flows from operations to continue to be sufficient to fund our domestic operating activities and cash commitments for investing and financing activities, such as regular quarterly dividends, debt repayment schedules, and material capital expenditures, for at least the next 12 months and thereafter for the foreseeable future. In addition, we expect existing foreign cash, cash equivalents, cash flows from operations and borrowing capacity to continue to be sufficient to fund our foreign operating activities and cash commitments for investing activities, such as material capital expenditures, for at least the next 12 months and thereafter for the foreseeable future. If these funds are needed for our operations in the U.S., we may be required to pay additional foreign taxes to repatriate these funds. However, while we may do so at a future date, the Company does not need to repatriate future foreign earnings to fund U.S. operations.

Outstanding borrowings and available capacity under the Company's borrowing arrangements were as follows:

	Expiration Date	Principal amount outstanding at June 30, 2019	Carrying value at June 30, 2019	Carrying value at June 30, 2018	Unused Available Capacity	Fair Value at June 30, 2019
(in millions)						
<b>Long-term debt</b>						
Fiscal 2019 Revolving Credit Facility:						
U.S. dollar tranche	March 2024	\$ 360.0	\$ 360.0	\$ 160.0	\$ 740.0	\$ 360.0
Multicurrency tranche	March 2024	215.7	215.7	—	184.3	215.7
Total Revolving Credit Facility		\$ 575.7	\$ 575.7	\$ 160.0	\$ 924.3	\$ 575.7
Fiscal 2014 Senior Notes	September 2020	400.0	399.2	398.5	—	405.4
Fiscal 2016 Senior Notes	June 2026	500.0	495.5	494.8	—	509.8
Total debt		\$ 1,475.7	\$ 1,470.4	\$ 1,053.4	\$ 924.3	\$ 1,490.9

Future principal payments on the Company's outstanding debt are as follows:

Years ending June 30,	2020	2021	2022	2023	2024	Thereafter	Total
(in millions)	\$ —	\$ 400.0	\$ —	\$ —	\$ 575.7	\$ 500.0	\$ 1,475.7

On March 18, 2019, the Company entered into a \$1.5 billion five-year revolving credit facility (the "Fiscal 2019 Revolving Credit Facility"), which is comprised of a \$1.1 billion U.S. dollar tranche and a \$400.0 million multicurrency tranche, and which replaced the \$1.0 billion five-year revolving credit facility entered into during February 2017 (the "Fiscal 2017 Revolving Credit Facility"). Borrowings under the Fiscal 2019 Revolving Credit Facility bear interest at LIBOR plus 101.5 basis points. In addition, the Fiscal 2019 Revolving Credit Facility has an annual facility fee equal to 11.0 basis points on the entire facility.

At June 30, 2019, the carrying value of the Company's outstanding Long-term debt was \$1,470.4 million, consisting of: (i) borrowings on the Fiscal 2019 Revolving Credit Facility of \$575.7 million, (ii) senior notes of \$399.2 million (\$400.0 million principal amount less \$0.1 million of unamortized bond discount and \$0.7 million of unamortized debt issuance costs) due September 2020 and (iii) senior notes of \$495.5 million (\$500.0 million principal amount less \$1.5 million of unamortized bond discount and \$3.0 million of unamortized debt issuance costs) due June 2026. The Fiscal 2019 Revolving Credit Facility and senior notes are senior unsecured obligations of the Company and are ranked equally in right of payment. Interest on the senior notes due 2020 is payable semiannually on March 1st and September 1st of each year based on a fixed per annum rate equal to 3.95%. Interest on the senior notes due June 2026 is payable semiannually on June 27th and December 27th of each year based on a fixed per annum rate equal to 3.40%.

Our liquidity position may be negatively affected by changes in general economic conditions, regulatory requirements and access to the capital markets, which may be limited if we were to fail to renew any of the credit facilities on their renewal dates or if we were to fail to meet certain ratios.

Please refer to Note 12, "Borrowings" to our Consolidated Financial Statements under Item 8 of Part II of this Annual Report on Form 10-K for a more detailed discussion.

## Cash Flows

### Fiscal Year 2019 Compared to Fiscal Year 2018

	Years Ended June 30,		
	2019	2018	\$ Change
	(in millions)		
Net cash flows provided by operating activities	\$ 617.0	\$ 693.6	\$ (76.6)
Net cash flows used in investing activities	\$ (433.5)	\$ (249.3)	\$ (184.3)
Net cash flows used in financing activities	\$ (173.1)	\$ (449.9)	\$ 276.8

The decrease in cash provided by operating activities of \$76.6 million primarily reflects: (i) an increase in cash used in client implementations and related client contract payments, and (ii) an increase in cash used in working capital, partially offset by (iii) an increase in Net Earnings.

The increase in cash used in investing activities of \$184.3 million primarily reflects (i) increased acquisitions driven primarily by the acquisition of RPM in fiscal year 2019, partially offset by (ii) lower purchases of intellectual property.

The decrease in cash used in financing activities of \$276.8 million primarily reflects: (i) an increase in net proceeds from borrowings, partially offset by (ii) an increase in the repurchase of common stock, and (iii) an increase in dividends paid.

## Income Taxes

The Company, headquartered in the U.S., is routinely examined by the IRS and is also routinely examined by the tax authorities in the U.S. states and foreign countries in which it conducts business. The tax years under audit examination vary by tax jurisdiction. The Company regularly considers the likelihood of assessments in each of the jurisdictions resulting from examinations. To the extent the Company determines it has potential tax assessments in particular tax jurisdictions, the Company has established tax reserves which it believes are adequate in relation to the potential assessments. Once established,

reserves are adjusted when there is more information available, when an event occurs necessitating a change to the reserves or the statute of limitations for the relevant taxing authority to examine the tax position has expired. The resolution of tax matters should not have a material effect on the financial condition of the Company or on the Company's Consolidated Statements of Earnings for a particular future period.

### Defined Benefit Pension Plans

The Company sponsors a Supplemental Officer Retirement Plan (the "Broadridge SORP"). The Broadridge SORP is a defined benefit plan pursuant to which the Company will pay supplemental pension benefits to certain key officers upon retirement based upon the officers' years of service and compensation. The Broadridge SORP is currently unfunded. The Broadridge SORP was closed to new participants beginning in fiscal year 2015.

The Company also sponsors a Supplemental Executive Retirement Plan (the "Broadridge SERP"). The Broadridge SERP is a defined benefit plan pursuant to which the Company will pay supplemental pension benefits to certain key executives upon retirement based upon the executives' years of service and compensation. The Broadridge SERP is currently unfunded. The Broadridge SERP was closed to new participants beginning in fiscal year 2015.

The benefit obligation to the Company under these plans at June 30, 2019 and 2018 was:

	Years ended June 30,	
	2019	2018
	(in millions)	
SORP	\$ 45.5	\$ 38.3
SERP	5.4	4.5
Total	\$ 50.8	\$ 42.8

### Other Post-retirement Benefit Plan

The Company sponsors an Executive Retiree Health Insurance Plan. It is a post-retirement benefit plan pursuant to which the Company helps defray the health care costs of certain eligible key executive retirees and qualifying dependents, based upon the retirees' age and years of service, until they reach the age of 65. The plan is currently unfunded.

The benefit obligation to the Company under this plan at June 30, 2019 and 2018 was:

	Years ended June 30,	
	2019	2018
	(in millions)	
Executive Retiree Health Insurance Plan	\$ 5.2	\$ 5.3

### Other Post-employment Benefit Obligations

In accordance with the Payment of Gratuity Act of 1972, the Company sponsors a post-employment defined benefit plan (the "Gratuity Plan") covering all employees in India who are eligible under the terms of their employment. The Gratuity Plan is required by local law and provides a lump sum payment to vested employees upon retirement, death, incapacitation, or termination of employment based on the respective employee's salary and the tenure of employment. The Gratuity Plan is currently unfunded.

The benefit obligation to the Company under this plan at June 30, 2019 and 2018 was:

	Years ended June 30,	
	2019	2018
	(in millions)	
The Gratuity Plan	\$ 5.8	\$ 5.0

## Contractual Obligations

The following table summarizes our contractual obligations to third parties as of June 30, 2019 and the effect such obligations are expected to have on our liquidity and cash flows in future periods:

	Payments Due by Period				
	Total	Less than 1 Year	1-3 Years	4-5 Years	After 5 Years
	(in millions)				
Debt(1)	\$ 1,475.7	\$ —	\$ 400.0	\$ 575.7	\$ 500.0
Interest and facility fee on debt(2)	234.4	53.2	77.5	69.7	34.0
Facility and equipment operating leases(3)	406.5	46.8	84.7	70.6	204.4
Software licensing(4)	5.9	4.3	1.6	—	—
Purchase obligations(5)	311.1	66.5	127.3	117.3	—
Capital commitment to fund investment(6)	1.5	1.5	—	—	—
Acquisition deferred payments(7)	39.6	39.6	—	—	—
Uncertain tax positions(8)	—	—	—	—	—
Total(9)	\$ 2,474.8	\$ 212.0	\$ 691.1	\$ 833.3	\$ 738.4

- (1) These amounts represent the principal repayments of Long-term debt and are included on our Consolidated Balance Sheets. See Note 12, “Borrowings” to our Consolidated Financial Statements under Item 8 of Part II of this Annual Report on Form 10-K for additional information about our Borrowings and related matters.
- (2) Includes estimated future interest payments on our long-term debt and interest and facility fee on the revolving credit facility.
- (3) We enter into operating leases in the normal course of business relating to facilities and equipment. The majority of our lease agreements have fixed payment terms based on the passage of time. Certain facility and equipment leases require payment of maintenance and real estate taxes and contain escalation provisions based on future adjustments in price indices. Our future operating lease obligations could change if we exit certain contracts and if we enter into additional operating lease agreements.
- (4) We enter into various software licenses agreements in the normal course of business.
- (5) Purchase obligations relate to payments to IBM related to the IT Services Agreement entered into in March 2010 that expires in June 2024, the EU IT Services Agreement entered into in March 2014 that expires in October 2023, and purchase and maintenance agreements on our software, equipment and other assets.
- (6) Represents the Company’s funding commitment to an equity method investee. In addition, the Company also has a future commitment to fund \$4.3 million to an investee.
- (7) Deferred payment obligation associated with the Company’s acquisition of RPM.
- (8) Due to the uncertainty related to the timing of the reversal of uncertain tax positions, only uncertain tax benefits related to certain settlements have been provided in the table above. The Company is unable to make reasonably reliable estimates related to the timing of the remaining gross unrecognized tax benefit liability of \$43.8 million (inclusive of interest). See Note 15, “Income Taxes” to our Consolidated Financial Statements under Item 8 of Part II of this Annual Report on Form 10-K for further detail.
- (9) Certain post-employment benefit obligations reported in our Consolidated Balance Sheets in the amount of \$61.9 million as of June 30, 2019 were not included in the table above due to the uncertainty of the timing of these future payments.

## Data Center Agreements

In March 2010, the Company and International Business Machines Corporation (“IBM”) entered into an Information Technology Services Agreement (the “IT Services Agreement”), under which IBM provides certain aspects of the Company’s information technology infrastructure. Under the IT Services Agreement, IBM provides a broad range of technology services to the Company including supporting its mainframe, midrange, open systems, network and data center operations, as well as providing disaster recovery services. The Company has the option of incorporating additional services into the agreement over time. The migration of the data center processing to IBM was completed in August 2012. The IT Services Agreement expires on June 30, 2024. The Company has the right to renew the initial term of the IT Services Agreement for up to one additional

12-month term. Commitments remaining under this agreement at June 30, 2019 are \$290.8 million through fiscal year 2024, the final year of the contract.

In March 2014, the Company and IBM United Kingdom Limited (“IBM UK”) entered into an Information Technology Services Agreement (the “EU IT Services Agreement”), under which IBM UK provides data center services supporting the Company’s technology outsourcing services for certain clients in Europe and Asia. The EU IT Services Agreement expires in October 2023. The Company has the right to renew the initial term of the EU IT Services Agreement for up to one additional 12-month term or one additional 24-month term. Commitments remaining under this agreement at June 30, 2019 are \$20.4 million through fiscal year 2024, the final year of the contract.

The following table summarizes the capitalized costs related to these agreements as of June 30, 2019:

	IT Services Agreement	EU IT Services Agreement	Total
	(in millions)		
Capitalized costs, beginning balance	\$ 62.3	\$ 5.2	\$ 67.5
Capitalized costs incurred	—	—	—
Impact of foreign currency exchange	—	(0.2)	(0.2)
Total capitalized costs, ending balance	62.3	5.0	67.3
Total accumulated amortization	(35.8)	(2.5)	(38.3)
Net Deferred IBM Costs	\$ 26.5	\$ 2.5	\$ 29.0

#### Other Commercial Commitments

Certain of the Company’s subsidiaries have unsecured, uncommitted lines of credit with banks. There were no outstanding borrowings under these lines of credit at June 30, 2019.

#### Off-Balance Sheet Arrangements

It is not the Company’s business practice to enter into off-balance sheet arrangements. However, the Company is exposed to market risk from changes in foreign currency exchange rates that could impact its financial position, results of operations, and cash flows. The Company manages its exposure to these market risks through its regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. The Company was not a party to any derivative financial instruments at June 30, 2019 and 2018. In the normal course of business, the Company also enters into contracts in which it makes representations and warranties that relate to the performance of the Company’s products and services. The Company does not expect any material losses related to such representations and warranties, or collateral arrangements.

#### NEW ACCOUNTING PRONOUNCEMENTS AND AUDITING STANDARDS

Please refer to Note 2, “Summary of Significant Accounting Policies” and Note 3 “Revenue Recognition” to our Consolidated Financial Statements under Item 8 of Part II of this Annual Report on Form 10-K for a discussion on the impact of the adoption of new accounting pronouncements.

On June 1, 2017, the Public Company Accounting Oversight Board (“PCAOB”) issued Auditing Standard 3101, “The Auditor’s Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion” (“AS 3101”). As a result of AS 3101, the most significant change to the auditor’s report on the financial statements is a new requirement to describe critical audit matters arising from the audit of the current period’s financial statements in the auditor’s report. See the PCAOB’s “Investor Resource: Critical Audit Matters (July 2019)” for additional information.

#### ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk

##### Market Risks

In the ordinary course of business, the financial position of the Company is routinely subject to certain market risks, notably the effects of changes in interest rates and foreign currency exchange rates. We manage our exposure to these market risks through our regular operating and financing activities. As a result, the Company does not anticipate any material losses from these risks. The Company was not a party to any derivative financial instrument as of June 30, 2019 and 2018, respectively.



### ***Interest Rate Risk***

As of June 30, 2019, \$575.7 million, or 39%, of the Company's total outstanding debt balance of \$1,470.4 million is based on floating interest rates. Our \$575.7 million in variable rate debt at June 30, 2019 consists of our revolving credit facility, which bears interest at LIBOR plus 101.5 basis points on borrowed amounts, plus an additional annual facility fee equal to 11.0 basis points on the entire facility. We have assessed our exposure to changes in interest rates by analyzing the sensitivity to our earnings of a change in market interest rates on amounts borrowed from the revolving credit facility during the fiscal year ended June 30, 2019. Assuming a hypothetical increase of one hundred basis points in interest rates on our variable rate debt during the fiscal year ended June 30, 2019, our pre-tax earnings would have decreased by approximately \$3.3 million for the fiscal year ended June 30, 2019; however, this would have been offset by interest earned on cash balances.

### ***Foreign Currency Risk***

While the substantial majority of our business is conducted within the U.S., approximately 10% of our fiscal year 2019 revenues were earned outside of the U.S. and approximately 26% of our total consolidated assets as of June 30, 2019 resided in our foreign subsidiaries. Our revenue generating operations outside of the U.S. primarily reside in Canada and the United Kingdom. As a result, we have a certain degree of foreign currency exposure to exchange rate fluctuations associated with our non-U.S. revenue generating operations, primarily with respect to the Canadian dollar and the British pound.

We manage our foreign currency risk primarily by incurring, to the extent practicable, operating and financing expenses in the local currency in the countries in which we operate. We do not hedge our operating results against currency movement as they are primarily translational in nature. For the fiscal year ended June 30, 2019, a hypothetical 10% decrease in the value of the Canadian dollar and British pound versus the U.S. dollar would have resulted in a decrease in our total pre-tax earnings of approximately \$12.2 million. A hypothetical 10% decrease in the value of the Canadian dollar and British pound versus the U.S. dollar at June 30, 2019 would have resulted in a decrease to our total assets of approximately \$76.2 million.

**ITEM 8. Financial Statements and Supplementary Data**

**INDEX TO FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULE**

**Consolidated Financial Statements**

<a href="#"><u>Report of Independent Registered Public Accounting Firm</u></a>	<a href="#"><u>51</u></a>
<a href="#"><u>Consolidated Statements of Earnings for the Fiscal Years Ended June 30, 2019, 2018, and 2017</u></a>	<a href="#"><u>53</u></a>
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**Financial Statement Schedule**

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and the Stockholders of  
Broadridge Financial Solutions, Inc.  
5 Dakota Drive  
Lake Success, NY 11042

### Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Broadridge Financial Solutions, Inc. and subsidiaries (the "Company") as of June 30, 2019 and 2018, the related consolidated statements of earnings, comprehensive income, stockholders' equity, and cash flows, for each of the three years in the period ended June 30, 2019, and the related notes and the financial statement schedule listed in the Index at Item 15 (collectively referred to as the "financial statements"). We also have audited the Company's internal control over financial reporting as of June 30, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of June 30, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended June 30, 2019, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of June 30, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

### Basis for Opinions

The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

### Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

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### Goodwill - Refer to Notes 2 and 9 to the financial statements

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#### Critical Audit Matter Description

The Company's evaluation of goodwill for impairment involves the comparison of the fair value of each reporting unit to its carrying value. The Company determines the fair value of its reporting units using the income approach, which considers a discounted future cash flow analysis using various assumptions, including projections of revenues based on assumed long-term growth rates, estimated costs and appropriate discount rates based on the particular reporting unit's weighted-average cost of capital. The principal factors used in the discounted cash flow analysis requiring judgment are the projected future operating cash flows based on forecasted EBIT margins, including future revenues, and the selection of the terminal value growth rate and the discount rate assumptions.

The goodwill balance was \$1,500 million as of June 30, 2019, which is allocated among various reporting units. During fiscal year 2019, the Company performed the required impairment tests of Goodwill and determined that there was no impairment. The Company also performed a sensitivity analysis under Step 1 of the goodwill impairment test assuming hypothetical reductions in the fair values of the reporting units.

We identified goodwill as a critical audit matter because of the significant estimates and assumptions management makes to estimate the fair value of certain reporting units and the sensitivity of these reporting units' operations to changes in demand. Auditing the fair value of certain of the reporting units involved a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists, as it relates to evaluating whether management's judgments in determining whether the projected future operating cash flows based on forecasted EBIT margins, including future revenues, and the selection of terminal value growth rate and discount rate were appropriate.

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#### How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the projected future operating cash flows based on forecasted EBIT margins, including future revenues, and the selection of the terminal value growth rate and discount rate for certain of the reporting units included the following, among others:

- We tested the effectiveness of controls over goodwill, including those over the projected future operating cash flows based on forecasted EBIT margins, including future revenues, and the selection of the terminal value growth rate and discount rate.
- We evaluated the reasonableness of management's projected future operating cash flows based on forecasted EBIT margins, including future revenues by comparing to (1) historical results, (2) internal communications to management and the Board of Directors, and (3) forecasted information included in Company press releases, analyst and industry reports of the Company and companies in its peer group.
- We considered the impact of changes in the regulatory environment on management's forecasts.
- With the assistance of our fair value specialists, we evaluated the selection of the terminal value growth rate and the discount rate, including testing the underlying source information and the mathematical accuracy of the calculations by developing a range of independent estimates and comparing those to the rates selected by management.

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/s/ DELOITTE & TOUCHE LLP

New York, New York  
August 6, 2019

We have served as the Company's auditor since 2007.

**Broadridge Financial Solutions, Inc.**  
**Consolidated Statements of Earnings**  
(In millions, except per share amounts)

		Years ended June 30,		
		2019	2018	2017
Revenues	(Note 3)	\$ 4,362.2	\$ 4,329.9	\$ 4,142.6
Operating expenses:				
Cost of revenues		3,131.9	3,167.4	3,107.9
Selling, general and administrative expenses		577.5	564.5	500.7
Total operating expenses		3,709.5	3,731.8	3,608.6
Operating income		652.7	598.1	534.0
Interest expense, net	(Note 5)	(41.8)	(38.6)	(42.7)
Other non-operating income (expenses), net		(3.7)	1.5	(3.2)
Earnings before income taxes		607.3	561.0	488.1
Provision for income taxes	(Note 15)	125.2	133.1	161.4
Net earnings		\$ 482.1	\$ 427.9	\$ 326.8
Basic earnings per share		\$ 4.16	\$ 3.66	\$ 2.77
Diluted earnings per share		\$ 4.06	\$ 3.56	\$ 2.70
Weighted-average shares outstanding:				
Basic	(Note 4)	115.9	116.8	118.0
Diluted	(Note 4)	118.8	120.4	120.8

Amounts may not sum due to rounding.

See notes to consolidated financial statements.

**Broadridge Financial Solutions, Inc.**  
**Consolidated Statements of Comprehensive Income**  
(In millions)

	Years ended June 30,		
	2019	2018	2017
Net earnings	\$ 482.1	\$ 427.9	\$ 326.8
Other comprehensive income (loss), net:			
Foreign currency translation adjustments	(15.0)	5.7	(17.0)
Net gains (losses) on securities, net of taxes of \$0.0, \$1.2 and (\$0.6) for the years ended June 30, 2019, 2018 and 2017, respectively	—	(2.6)	1.0
Pension and post-retirement liability adjustment, net of taxes of \$0.9, (\$0.4) and \$1.0 for the years ended June 30, 2019, 2018 and 2017, respectively	(2.7)	0.9	(1.6)
Total other comprehensive income (loss), net	(17.7)	3.9	(17.6)
Comprehensive income	<u>\$ 464.3</u>	<u>\$ 431.9</u>	<u>\$ 309.2</u>

Amounts may not sum due to rounding.

See notes to consolidated financial statements.

**Broadridge Financial Solutions, Inc.**  
**Consolidated Balance Sheets**  
(In millions, except per share amounts)

		June 30, 2019	June 30, 2018
<b>Assets</b>			
Current assets:			
Cash and cash equivalents		\$ 273.2	\$ 263.9
Accounts receivable, net of allowance for doubtful accounts of \$2.6 and \$2.7, respectively		664.0	615.0
Other current assets		105.2	112.2
Total current assets		1,042.3	991.1
Property, plant and equipment, net	(Note 8)	189.0	204.1
Goodwill	(Note 9)	1,500.0	1,254.9
Intangible assets, net	(Note 9)	556.2	494.1
Other non-current assets	(Note 10)	593.1	360.5
Total assets		<u>\$ 3,880.7</u>	<u>\$ 3,304.7</u>
<b>Liabilities and Stockholders' Equity</b>			
Current liabilities:			
Payables and accrued expenses	(Note 11)	\$ 711.7	\$ 671.0
Contract Liabilities		90.9	106.3
Total current liabilities		802.6	777.3
Long-term debt	(Note 12)	1,470.4	1,053.4
Deferred taxes	(Note 15)	86.7	57.9
Contract Liabilities		160.7	75.2
Other non-current liabilities		232.8	246.5
Total liabilities		<u>2,753.2</u>	<u>2,210.4</u>
Commitments and contingencies	(Note 16)		
Stockholders' equity:			
Preferred stock: Authorized, 25.0 shares; issued and outstanding, none		—	—
Common stock, \$0.01 par value: Authorized, 650.0 shares; issued, 154.5 and 154.5 shares, respectively; outstanding, 114.3 and 116.3 shares, respectively		1.6	1.6
Additional paid-in capital		1,109.3	1,048.5
Retained earnings		2,087.7	1,727.0
Treasury stock, at cost: 40.2 and 38.1 shares, respectively		(1,999.8)	(1,630.8)
Accumulated other comprehensive loss	(Note 17)	(71.2)	(51.9)
Total stockholders' equity		1,127.5	1,094.3
Total liabilities and stockholders' equity		<u>\$ 3,880.7</u>	<u>\$ 3,304.7</u>

Amounts may not sum due to rounding.

See notes to consolidated financial statements.

**Broadridge Financial Solutions, Inc.**  
**Consolidated Statements of Cash Flows**  
(In millions)

	Years ended June 30,		
	2019	2018	2017
<b>Cash Flows From Operating Activities</b>			
Net earnings	\$ 482.1	\$ 427.9	\$ 326.8
Adjustments to reconcile Net earnings to Net cash flows provided by operating activities:			
Depreciation and amortization	85.2	82.1	68.6
Amortization of acquired intangibles and purchased intellectual property	87.4	81.4	72.6
Amortization of other assets	87.4	48.5	41.0
Stock-based compensation expense	58.4	55.1	46.1
Deferred income taxes	(3.5)	(9.3)	(14.7)
Excess tax benefits from stock-based compensation awards	—	—	(40.6)
Other	(37.6)	(21.2)	(8.6)
Changes in operating assets and liabilities, net of assets and liabilities acquired:			
Current assets and liabilities:			
Increase in Accounts receivable, net	(34.9)	(18.6)	(44.4)
(Increase) decrease in Other current assets	(7.3)	(7.6)	5.6
Increase (decrease) in Payables and accrued expenses	(10.9)	9.6	135.4
Increase (decrease) in Contract liabilities	15.1	20.8	(4.5)
Non-current assets and liabilities:			
Increase in Other non-current assets	(188.3)	(83.5)	(90.7)
Increase in Other non-current liabilities	83.8	108.3	23.2
Net cash flows provided by operating activities	617.0	693.6	515.9
<b>Cash Flows From Investing Activities</b>			
Capital expenditures	(50.6)	(76.7)	(85.4)
Software purchases and capitalized internal use software	(22.0)	(21.2)	(28.3)
Acquisitions, net of cash acquired	(354.7)	(108.3)	(448.7)
Purchase of intellectual property	—	(40.0)	(90.0)
Other investing activities	(6.3)	(3.1)	(6.9)
Net cash flows used in investing activities	(433.5)	(249.3)	(659.3)
<b>Cash Flows From Financing Activities</b>			
Debt proceeds	803.1	340.0	500.0
Debt repayments	(387.4)	(390.0)	(415.0)
Excess tax benefits from stock-based compensation awards	—	—	40.6
Dividends paid	(211.2)	(165.8)	(152.2)
Purchases of Treasury stock	(397.8)	(277.1)	(342.8)
Proceeds from exercise of stock options	31.1	52.0	60.9
Other financing activities	(10.8)	(9.0)	(3.2)
Net cash flows used in financing activities	(173.1)	(449.9)	(311.7)
Effect of exchange rate changes on Cash and cash equivalents	(1.1)	(1.6)	(1.6)
Net change in Cash and cash equivalents	9.2	(7.2)	(456.7)
Cash and cash equivalents, beginning of fiscal year	263.9	271.1	727.7
Cash and cash equivalents, end of fiscal year	\$ 273.2	\$ 263.9	\$ 271.1
<b>Supplemental disclosure of cash flow information:</b>			
Cash payments made for interest	\$ 43.4	\$ 40.5	\$ 43.1
Cash payments made for income taxes, net of refunds	\$ 119.5	\$ 177.6	\$ 113.4
Non-cash investing and financing activities:			
Accrual of unpaid property, plant, equipment and software	\$ 8.7	\$ 6.2	\$ 17.7

Amounts may not sum due to rounding.





**Broadridge Financial Solutions, Inc.**  
**Consolidated Statements of Stockholders' Equity**  
(In millions, except per share amounts)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount					
<b>Balances, July 1, 2016</b>	154.5	\$ 1.6	\$ 901.2	\$ 1,297.8	\$ (1,116.9)	\$ (38.2)	\$ 1,045.5
Comprehensive income (loss)	—	—	—	326.8	—	(17.6)	309.2
Stock option exercises and excess tax benefits	—	—	101.2	—	—	—	101.2
Stock-based compensation	—	—	45.9	—	—	—	45.9
Treasury stock acquired (4.9 shares)	—	—	—	—	(342.8)	—	(342.8)
Treasury stock reissued (3.1 shares)	—	—	(60.7)	—	60.7	—	—
Common stock dividends (\$1.32 per share)	—	—	—	(155.2)	—	—	(155.2)
<b>Balances, June 30, 2017</b>	154.5	1.6	987.6	1,469.4	(1,398.9)	(55.8)	1,003.8
Comprehensive income (loss)	—	—	—	427.9	—	3.9	431.9
Stock option exercises	—	—	51.5	—	—	—	51.5
Stock-based compensation	—	—	54.7	—	—	—	54.7
Treasury stock acquired (2.4 shares)	—	—	—	—	(277.1)	—	(277.1)
Treasury stock reissued (2.3 shares)	—	—	(45.3)	—	45.3	—	—
Common stock dividends (\$1.46 per share)	—	—	—	(170.4)	—	—	(170.4)
<b>Balances, June 30, 2018</b>	154.5	1.6	1,048.5	1,727.0	(1,630.8)	(51.9)	1,094.3
Comprehensive income (loss)	—	—	—	482.1	—	(17.7)	464.3
Cumulative effect of changes in accounting principle (a)	—	—	—	102.8	—	(1.5)	101.3
Stock option exercises	—	—	31.3	—	—	—	31.3
Stock-based compensation	—	—	58.3	—	—	—	58.3
Treasury stock acquired (3.5 shares)	—	—	—	—	(397.8)	—	(397.8)
Treasury stock reissued (1.4 shares)	—	—	(28.8)	—	28.8	—	—
Common stock dividends (\$1.94 per share)	—	—	—	(224.2)	—	—	(224.2)
<b>Balances, June 30, 2019</b>	154.5	\$ 1.6	\$ 1,109.3	\$ 2,087.7	\$ (1,999.8)	\$ (71.2)	\$ 1,127.5

(a) Reflects the adoption of accounting standards as described in Note 2, "Summary of Significant Accounting Policies."

Amounts may not sum due to rounding.

See notes to consolidated financial statements.

**Broadridge Financial Solutions, Inc.**  
**Notes to Consolidated Financial Statements**

**NOTE 1. BASIS OF PRESENTATION**

**A. Description of Business.** Broadridge Financial Solutions, Inc. (“Broadridge” or the “Company”), a Delaware corporation and a part of the S&P 500® Index, is a global financial technology leader providing investor communications and technology-driven solutions to banks, broker-dealers, asset and wealth managers and corporate issuers. Broadridge’s services include investor communications, securities processing, data and analytics, and customer communications solutions. Broadridge serves a large and diverse client base across four client groups: banks/broker-dealers, asset management firms/mutual funds, corporate issuers, and wealth management firms. For capital markets firms, Broadridge helps clients lower costs and improve the effectiveness of their trade and account processing operations with support for their front-, middle- and back-office operations, and their administration, finance, risk and compliance requirements. Broadridge serves asset management firms by meeting their critical needs for shareholder communications and by providing investment operations technology to support their investment decisions. For wealth management clients, Broadridge provides an integrated platform with tools that create a better investor experience, while also delivering a more streamlined, efficient, and effective advisory servicing process. For Broadridge’s corporate issuer clients, Broadridge helps manage every aspect of their shareholder communications, including registered and beneficial proxy processing, annual meeting support, transfer agency services and financial disclosure document creation, management and United States of America (“U.S.”) Securities and Exchange Commission (the “SEC”) filing services.

The Company operates in two reportable segments: Investor Communication Solutions (“ICS”) and Global Technology and Operations (“GTO”).

**Investor Communication Solutions** - Broadridge provides governance and communications solutions through its Investor Communication Solutions business segment to the following financial services clients: banks/broker-dealers, asset management firms/mutual funds, corporate issuers and wealth management firms. In addition to financial services firms, Broadridge’s Customer Communications business also serves companies in the healthcare, insurance, consumer finance, telecommunications, utilities, and other service industries.

A large portion of Broadridge’s Investor Communication Solutions business involves the processing and distribution of proxy materials to investors in equity securities and mutual funds, as well as the facilitation of related vote processing. ProxyEdge® (“ProxyEdge”) is Broadridge’s innovative electronic proxy delivery and voting solution for institutional investors and financial advisors that helps ensure the voting participation of the largest stockholders of many companies. Broadridge also provides the distribution of regulatory reports and corporate action/reorganization event information, as well as tax reporting solutions that help its clients meet their regulatory compliance needs.

Broadridge also provides asset managers and retirement service providers with data-driven solutions that help clients grow revenue, operate efficiently, and maintain compliance. Broadridge offers an end-to-end platform for content management, composition, and multi-channel distribution of regulatory, marketing, and transactional information. Broadridge’s data and analytics solutions provide investment product distribution data, analytical tools, insights, and research to enable asset managers to optimize product distribution across retail and institutional channels globally. Broadridge also provides mutual fund trade processing services for retirement providers, third-party administrators, financial advisors, banks and wealth management professionals through Matrix Financial Solutions, Inc. (“Matrix”).

In addition, Broadridge provides public corporations with a full suite of solutions to help corporations manage their annual meeting process, including registered proxy distribution and processing services, proxy and annual report document management solutions, and solutions to gain insight into their shareholder base through Broadridge’s shareholder data services. Broadridge also provides financial reporting document composition and management, SEC disclosure and filing services, and registrar, stock transfer and record-keeping services through Broadridge Corporate Issuer Solutions.

Broadridge’s wealth management solutions enable firms, financial advisors, wealth managers, and insurance agents to better engage with customers through digital marketing and customer communications tools. Broadridge integrates data, content and technology to drive new customer acquisition and cross-sell opportunities through the creation of sales and educational content, including seminars as well as customizable advisor websites, search engine marketing and electronic and print newsletters. Broadridge’s advisor solutions also help advisors optimize their practice management through customer and account data aggregation and reporting.

Broadridge also provides customer communications solutions which include print and digital solutions, content management, postal optimization, and fulfillment services. The Broadridge Communications Cloud<sup>SM</sup> (the “Communications Cloud”) provides multi-channel communications delivery, communications management, information management and control and administration capabilities that enable and enhance its clients’ communications with their customers. In addition, Broadridge provides its clients with capabilities to enhance the consumer experience associated with essential communications such as consumer statements, bills and regulatory communications.

In June 2019, Broadridge acquired the retirement plan custody and trust assets from TD Ameritrade Trust Company (“TD Ameritrade”), a subsidiary of TD Ameritrade Holding Company. The acquisition expands Broadridge's suite of solutions for the growing qualified and non-qualified retirement plan services market and the support provided for third-party administrators, financial advisors, record-keepers, banks, and brokers.

**Global Technology and Operations** - Broadridge is a leading global provider of securities processing solutions for capital markets, wealth management, and asset management firms. Broadridge offers advanced solutions that automate the securities transaction lifecycle, from desktop productivity tools, data aggregation, performance reporting, and portfolio management to order capture and execution, trade confirmation, margin, cash management, clearance and settlement, asset servicing, reference data management, reconciliations, securities financing and collateral optimization, compliance and regulatory reporting, and accounting.

Broadridge’s services help financial institutions efficiently and cost-effectively consolidate their books and records, gather and service assets under management and manage risk, thereby enabling them to focus on their core business activities. Broadridge’s multi-asset, multi-market, multi-entity and multi-currency solutions support real-time global trade processing of equity, fixed income, mutual fund, foreign exchange, and exchange traded derivatives.

In addition, Broadridge provides a comprehensive wealth management platform that offers capabilities across the entire wealth management lifecycle and streamlines all aspects of wealth management services, including account management, fee management and client on-boarding. Through Broadridge’s Managed Services, it provides business process outsourcing services that support the operations of its buy- and sell-side clients’ businesses and combine its technology with its operations expertise to support the entire trade lifecycle and provide front-, middle- and back-office solutions. Broadridge also provides buy-side technology solutions for the global investment management industry through its asset management solutions, including front-, middle- and back-office solutions for hedge funds, family offices, investment managers and the providers that service this space.

In May 2019, Broadridge acquired Rockall Technologies Limited (“Rockall”), a leading provider of securities-based lending (“SBL”) and collateral management solutions for wealth management firms and commercial banks. The acquisition expands Broadridge's core front-to back-office wealth capabilities, providing innovative SBL and collateral management technology solutions to help firms manage risk and optimize clients' securities lending and financing needs.

In June 2019, Broadridge acquired RPM Technologies (“RPM”), a leading Canadian provider of enterprise wealth management software solutions and services. The acquisition brings important new capabilities and next-generation technology to Broadridge. RPM's state-of-the-art technology platforms build on Broadridge's strong Canadian wealth management business, providing a solution set for the retail banking sector with enhanced mutual fund and deposit manufacturing capabilities.

**B. Consolidation and Basis of Presentation.** The Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles (“GAAP”) in the U.S. and in accordance with the U.S. SEC requirements for Annual Reports on Form 10-K. These financial statements present the consolidated position of the Company and include the entities in which the Company directly or indirectly has a controlling financial interest as well as various entities in which the Company has investments recorded under the equity method of accounting as well as certain marketable and non-marketable securities. Intercompany balances and transactions have been eliminated. Amounts presented may not sum due to rounding. Certain prior period amounts have been reclassified to conform to the current year presentation, except as it relates to (i) Financial Accounting Standards Board (the “FASB”) Accounting Standards Update (“ASU”) No. 2014-09 “Revenue from Contracts with Customers” and its related amendments (collectively “ASU No. 2014-09”), (ii) ASU No. 2016-01, “Recognition and Measurement of Financial Assets and Financial Liabilities” (“ASU No. 2016-01”), (iii) ASU No. 2018-02, “Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income” (“ASU No. 2018-02”), and (iv) ASU No. 2016-09 “Improvements to Employee Share-Based Payment Accounting” (“ASU No. 2016-09”), as described further below.

Effective July 1, 2018, the Company adopted ASU No. 2014-09 using the modified retrospective transition approach applied to all contracts. Under this transition approach, the Company has not restated the prior period Consolidated Financial Statements presented to the current period presentation. However, the Company has provided additional disclosures related to the amount by which each relevant fiscal 2019 financial statement line item was affected by the adoption of ASU No. 2014-09 along with explanations for significant changes. Additional information about the Company's revenue recognition policies and the related impact of the adoption of ASU No. 2014-09 is included in Note 2, "Summary of Significant Accounting Policies" and Note 3, "Revenue Recognition".

Effective July 1, 2018, the Company adopted ASU No. 2016-01, which requires changes in the fair value of publicly traded equity securities for which the Company does not have significant influence to be recorded as part of Net earnings rather than as Other comprehensive income (loss), net. In addition, equity investments that do not have a readily determinable fair value will be recorded at cost less impairment as further adjusted for observable price changes in orderly transactions for identical or similar investments of the issuer. The Company adopted ASU No. 2016-01 using the modified-retrospective transition approach by recording the cumulative effect of previously unrecognized gains or losses on publicly traded equity securities to retained earnings as of July 1, 2018. The provisions of ASU No. 2016-01 relative to equity investments that do not have a readily determinable fair value have been applied prospectively. The Consolidated Financial Statements have not been revised for periods prior to July 1, 2018. The impact of adopting ASU No. 2016-01 resulted in a reclassification of less than \$0.1 million in unrealized gains, net from accumulated other comprehensive loss to retained earnings as of July 1, 2018.

Effective July 1, 2018, the Company adopted ASU No. 2018-02, which allows a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects associated with the change in the U.S. federal corporate tax rate resulting from the U.S. Tax Cuts and Jobs Act (the "Tax Act") enacted in December 2017. The adoption of ASU No. 2018-02 resulted in an increase to retained earnings of \$1.5 million.

Effective July 1, 2018, the Company adopted ASU No. 2017-07, "Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost" ("ASU No. 2017-07") whereby the Company revised its presentation in the Consolidated Statements of Earnings to reflect the non-service cost components of net benefit cost as part of Other non-operating income (expenses), net, which were previously recorded as part of Total operating expenses. All prior period information has been conformed to the current period presentation.

Effective July 1, 2017, the Company adopted ASU No. 2016-09, which identifies areas for simplification involving several aspects of accounting for share-based payment transactions, including presenting the excess tax benefits ("ETB") or deficits from the exercise or vesting of share-based payments in the income statement, classifying the ETB or deficits as an operating activity in the Consolidated Statements of Cash Flows rather than as a financing activity, a revision to the criteria for classifying an award as equity or liability and an option to recognize gross stock-based compensation expense with actual forfeitures recognized as they occur. In addition, ASU No. 2016-09 eliminates the ETB from the assumed proceeds calculation under the treasury stock method for purposes of calculating diluted shares. As a result of this adoption, the Company recorded ETB related to stock-based compensation awards of \$19.3 million and \$40.9 million during the fiscal years ended June 30, 2019 and 2018 in the income tax provision on a prospective basis, whereas such benefits would previously have been recognized in equity. The Company also excluded the ETB from the assumed proceeds available to repurchase shares in the computation of diluted earnings per share for the fiscal years ended June 30, 2019 and 2018. The Company has not adjusted prior periods presented for the change in accounting for ETB in the Consolidated Financial Statements. The Company also elected to apply the change in presentation of ETB in the Consolidated Statement of Cash Flows prospectively, and as a result, ETB are classified as operating activities when realized through reductions to subsequent tax payments. This adoption resulted in an increase to net cash provided by operating activities and a corresponding decrease to net cash provided by financing activities of \$19.3 million and \$40.9 million for the fiscal years ended June 30, 2019 and 2018. The Company has not adjusted prior periods presented for the change in classification of ETB on the Consolidated Statement of Cash Flows. The Company also elected to continue its current practice of estimating expected forfeitures as permitted by ASU No. 2016-09.

## **NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Use of Estimates.** The preparation of these financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the Consolidated Financial Statements and accompanying notes thereto. These estimates are based on management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other assumptions and judgment that are believed to be reasonable under the circumstances. Accordingly, actual results could differ from those estimates. The use of estimates in specific accounting policies is described further in the notes to the Consolidated Financial Statements, as appropriate.

**B. Revenue Recognition.** ASU No. 2014-09 outlines a single comprehensive model to use in accounting for revenue arising from contracts with customers. The core principle is that an entity recognizes revenue to reflect the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company's revenues from clients are primarily generated from fees for providing investor communications and technology-enabled services and solutions. Revenues are recognized for the two reportable segments as follows:

- **Investor Communication Solutions**—Revenues are generated primarily from processing and distributing investor communications and other related services as well as vote processing. The Company typically enters into agreements with clients to provide services on a fee for service basis. Fees received for processing and distributing investor communications are generally variably priced and recognized as revenue over time as the Company provides the services to clients based on the number of units processed, which coincides with the pattern of value transfer to the client. Broadridge works directly with corporate issuers ("Issuers") and mutual funds to ensure that the account holders of the Company's bank and broker clients, who are also the shareholders of Issuers and mutual funds, receive the appropriate investor communications materials and that the services are fulfilled in accordance with each Issuer's and mutual fund's requirements. Broadridge works directly with the Issuers and mutual funds to resolve any issues that may arise. As such, Issuers and mutual funds are viewed as the customer of the Company's services. As a result, revenues for distribution services as well as proxy materials fulfillment services are recorded in Revenue on a gross basis with corresponding costs including amounts remitted to the broker-dealers and banks (referred to as "Nominees") recorded in Cost of revenues. Fees for the Company's investor communications services arrangements are typically billed and paid on a monthly basis following the delivery of the services. The Company also offers certain hosted service arrangements that can be priced on a fixed and/or variable basis for which revenue is recognized over time as the Company satisfies its performance obligation by delivering services to the client on a monthly basis based on the number of transactions processed or units delivered, in the case of variable priced arrangements, or a fixed monthly fee in the case of fixed price arrangements, in each case which coincides with the pattern of value transfer to the client. These services may be billed in a variety of payment frequencies depending on the specific arrangement.
- **Global Technology and Operations**—Revenues are generated primarily from fees for trade processing and related services. Revenue is recognized over time as the Company satisfies its performance obligation by delivering services to the client. The Company's arrangements for processing and related services typically consist of an obligation to provide specific services to its clients on a when and if needed basis (a stand ready obligation) with revenue recognized from the satisfaction of the performance obligations on a monthly basis generally in the amount billable to the client. These services are generally provided under variable priced arrangements based on volume of service and can include minimum monthly usage fees. Client service agreements often include up-front consideration in addition to the recurring fee for trade processing. Up-front implementation fees, as well as certain enhancements to existing technology platforms, are deferred and recognized on a straight-line basis over the service term of the contract which corresponds to the timing of transfer of value to the client that commences after client acceptance when the processing term begins. In addition, revenue is also generated from the fulfillment of professional services engagements which are generally priced on a time and materials or fixed price basis, and are recognized as the services are provided to the client which corresponds to the timing of transfer of value to the client.

The Company uses the following methods, inputs, and assumptions in determining amounts of revenue to recognize:

#### ***Identification of Performance Obligations***

For revenue arrangements containing multiple goods or services, the Company accounts for the individual goods or services as a separate performance obligation if they are distinct, the good or service is separately identifiable from other items in the arrangement, and if a client can benefit from it on its own or with other resources that are readily available to the client. If these criteria are not met, the promised goods or services are accounted for as a combined performance obligation.

#### ***Transaction Price***

Once separate performance obligations are determined, the transaction price is allocated to the individual performance obligations. If the contracted prices reflect the relative standalone selling prices for the individual performance obligations, no allocations are made. Otherwise, the Company uses the relative selling price method to allocate the transaction price, obtained from sources such as the observable price of a good or service when the Company sells that good or service separately in similar circumstances and to similar clients. If such evidence is unavailable, the Company uses the best estimate of the selling price, which includes various internal factors such as pricing strategy and market factors. A significant portion of the Company's performance obligations are generated from transactions with volume based fees and includes services that are delivered at the same time. The Company recognizes revenue related to these arrangements over time as the services are

provided to the client. While many of the Company's contracts contain some component of variable consideration, the Company only recognizes variable consideration that is not expected to reverse. The Company allocates variable payments to distinct services in an overall contract when the variable payment relates specifically to that particular service and for which the variable payment reflects what the Company expects to receive in exchange for that particular service. As a result, the Company generally allocates and recognizes variable consideration in the period it has the contractual right to invoice the client.

As described above, our most significant performance obligations involve variable consideration which constitutes the majority of our revenue streams. The Company's variable consideration components meet the criteria in ASU No. 2014-09 for exclusion from disclosure of the remaining transaction price allocated to unsatisfied performance obligations as does any contracts with clients with an original duration of one year or less. The Company has contracts with clients that vary in length depending on the nature of the services and contractual terms negotiated with the client, and they generally extend over a multi-year period.

Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a client, are excluded from revenue. Distribution revenues associated with shipping and handling activities are accounted for as a fulfillment activity and recognized as the related services or products are transferred to the client. As a practical expedient, the Company does not adjust the transaction price for the effects of a significant financing component if, at contract inception, the period between client payment and the transfer of goods or services is expected to be one year or less.

**C. Cash and Cash Equivalents.** Investment securities with an original maturity of 90 days or less are considered cash equivalents. The fair value of the Company's Cash and cash equivalents approximates carrying value due to their short term nature.

**D. Financial Instruments.** Substantially all of the financial instruments of the Company other than Long-term debt are carried at fair values, or at carrying amounts that approximate fair values because of the short maturity of the instruments. The carrying value of the Company's long-term fixed-rate senior notes represent the face value of the long-term fixed-rate senior notes net of the unamortized discount and net of the associated unamortized debt issuance cost. The fair value of the Company's long-term fixed-rate senior notes is based on quoted market prices. Refer to Note 12, "Borrowings," for a further description of the Company's long-term fixed-rate senior notes.

**E. Property, Plant and Equipment.** Property, plant and equipment is initially recorded at cost and depreciated over the estimated useful lives of the assets using the straight-line method. Leasehold improvements are amortized over the shorter of the term of the lease or the estimated useful lives of the improvements. The estimated useful lives of assets are as follows:

Equipment	3 to 5 years
Buildings and Building Improvements	5 to 20 years
Furniture and fixtures	4 to 7 years

Refer to Note 8, "Property, Plant and Equipment, Net", for a further description of the Company's Property, plant and equipment, net.

**F. Securities.** Securities are non-derivatives that are reflected in Other non-current assets in the Consolidated Balance Sheets, unless management intends to dispose of the investment within twelve months of the end of the reporting period, in which case they are reflected in Other current assets in the Consolidated Balance Sheets. These investments are in entities over which the Company does not have control, joint control, or significant influence. Securities that have a readily determinable fair value are carried at fair value. Securities without a readily determinable fair value are initially recognized at cost and subsequently carried at cost minus impairment, if any, plus or minus changes resulting from observable price changes in transactions for an identical or similar investment of the same issuer, such as subsequent capital raising transactions. Changes in the value of securities with or without a readily determinable fair value are recorded in the Consolidated Statements of Earnings. In determining whether a security without a readily determinable fair value is impaired, management considers qualitative factors to identify an impairment including the financial condition and near-term prospects of the issuer.

**G. Inventories.** Inventories are stated at the lower of cost (determined on a first-in, first-out basis) or market. Inventory balances of \$21.1 million and \$18.5 million, consisting of forms and envelopes used in the mailing of proxy and other materials to our customers, are reflected in Other current assets in the Consolidated Balance Sheets at June 30, 2019 and 2018, respectively.

**H. Deferred Client Conversion and Start-Up Costs.** Direct costs incurred to set up or convert a client's systems to function with the Company's technology, that are expected to be recovered, are generally deferred and recognized on a straight-

line basis over the service term of the arrangement to which the costs relate, which commences after client acceptance when the processing term begins. The Company evaluates the carrying value of deferred client conversion and start-up costs for impairment on the basis of whether these costs are fully recoverable from the expected future undiscounted net operating cash flows of the client to which the deferred costs relate. These deferred costs are reflected in Other non-current assets in the Consolidated Balance Sheets at June 30, 2019 and June 30, 2018, respectively. Refer to Note 10, "Other Non-Current Assets" for a further description of the Company's Deferred client conversion and start-up costs.

**I. Deferred Sales Commission Costs.** The Company defers incremental costs to obtain a client contract that it expects to recover, which consists of sales commissions incurred, only if the contract is executed. Deferred sales commission costs are amortized on a straight-line basis using a portfolio approach consistent with the pattern of transfer of the goods or services to which the asset relates, which also considers expected customer lives. As a practical expedient, the Company recognizes the sales commissions as an expense when incurred if the amortization period of the sales commission asset that the entity otherwise would have recognized is one year or less. The Company evaluates the carrying value of deferred sales commission costs for impairment on the basis of whether these costs are fully recoverable from the expected future undiscounted net operating cash flows of the portfolio of clients to which the deferred sales commission costs relate. Refer to Note 10, "Other Non-Current Assets" for a further description of the Company's Deferred sales commission costs.

**J. Deferred Data Center Costs.** Data center costs relate to conversion costs associated with our principal data center systems and applications. Costs directly related to the activities necessary to make the data center usable for its intended purpose are deferred and amortized over the life of the contract on a straight-line basis commencing on the date the data center has achieved full functionality. These deferred costs are reflected in Other non-current assets in the Consolidated Balance Sheets at June 30, 2019 and 2018, respectively. Refer to Note 10, "Other Non-Current Assets" for a further description of the Company's Deferred data center costs.

**K. Goodwill.** The Company does not amortize goodwill but instead tests goodwill for impairment at the reporting unit level at least annually or more frequently if circumstances indicate possible impairment. The Company tests for goodwill impairment annually in the fourth quarter of the fiscal year, using the March 31 financial statement balances. The Company's evaluation of goodwill for impairment involves the comparison of the fair value of each reporting unit to its carrying value. The Company determines the fair value of its reporting units using the income approach, which considers a discounted future cash flow analysis using various assumptions, including projections of revenues based on assumed long-term growth rates, estimated costs and appropriate discount rates based on the particular reporting unit's weighted-average cost of capital. The principal factors used in the discounted cash flow analysis requiring judgment are the projected future operating cash flows based on forecasted earnings before interest and taxes, and the selection of the terminal value growth rate and discount rate assumptions. The weighted-average cost of capital takes into account the relative weight of each component of our consolidated capital structure (equity and long-term debt). The estimates of long-term growth and costs are based on historical data, various internal estimates and a variety of external sources, and are developed as part of the Company's routine, long-range planning process. If the carrying amount of reporting unit goodwill exceeds the implied fair value of that goodwill, an impairment loss shall be recognized in an amount equal to that excess. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination is determined. Refer to Note 9, "Goodwill and Intangible Assets, Net" for a further description on the Company's accounting for goodwill.

**L. Impairment of Long-Lived Assets.** Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset (or asset group) may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset (or asset group) to the estimated undiscounted future cash flows expected to be generated by the asset (or asset group). If the carrying amount of an asset (or asset group) exceeds its expected estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset (or asset group) exceeds its fair value. Intangible assets with finite lives are amortized primarily on a straight-line basis over their estimated useful lives and are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Refer to Note 8, "Property, Plant and Equipment, Net" for a further description of the Company's Property, plant and equipment, net. Refer to Note 6, "Acquisitions" and Note 9, "Goodwill and Intangible Assets, Net" for a further description of the Company's Intangible assets, net.

**M. Equity Method Investments.** The Company's investments resulting in a 20% to 50% ownership interest are accounted for using the equity method of accounting when the ability to exercise significant influence is maintained by the Company. The Company's share of net income or losses of equity method investments is included in Other non-operating income (expenses), net. Equity method investments are included in Other non-current assets. Equity method investments are reviewed for impairment by assessing if a decline in market value of the investment below the carrying value is other than temporary, which considers the intent and ability to retain the investment, the length of time and extent that the market value has been less than cost, and the financial condition of the investee.



**N. Foreign Currency Translation and Transactions.** The assets and liabilities of the Company's foreign subsidiaries are translated into U.S. dollars based on exchange rates in effect at the end of each period. Revenues and expenses are translated at average exchange rates during the periods. Currency transaction gains or losses are included in Non-operating income (expenses), net. Gains or losses from balance sheet translation are included in Accumulated other comprehensive income (loss).

**O. Distribution Cost of Revenues.** Distribution cost of revenues consists primarily of postage related expenses incurred in connection with the Company's Investor Communication Solutions segment, as well as Matrix Financial Solutions, Inc. administrative services expenses. These costs are reflected in Cost of revenues in the Consolidated Statements of Earnings.

**P. Stock-Based Compensation.** The Company accounts for stock-based compensation by recognizing the measurement of stock-based compensation expense in the Consolidated Statements of Earnings based on the fair value of the award on the date of grant. For stock options issued, the fair value of each stock option was estimated on the date of grant using a binomial option-pricing model. The binomial model considers a range of assumptions related to volatility, dividend yield, risk-free interest rate, and employee exercise behavior. Expected volatilities utilized in the binomial model are based on a combination of implied market volatilities, historical volatility of the Company's stock price, and other factors. Similarly, the dividend yield is based on historical experience and expected future changes. The risk-free rate is derived from the U.S. Treasury yield curve in effect at the time of grant. The binomial model also incorporates exercise and forfeiture assumptions based on an analysis of historical data. The expected life of the stock option grants is derived from the output of the binomial model and represents the period of time that options granted are expected to be outstanding. For restricted stock units, the fair value of the award is based on the current fair value of the Company's stock on the date of grant less the present value of future expected dividends discounted at the risk-free-rate derived from the U.S. Treasury yield curve in effect at the time of grant. Refer to Note 13, "Stock-Based Compensation" for a further description of the Company's stock-based compensation.

**Q. Internal Use Software.** Expenditures for major software purchases and software developed or obtained for internal use are capitalized and amortized generally over a three- to five-year period on a straight-line basis. For software developed or obtained for internal use, the Company's accounting policy provides for the capitalization of external direct costs of materials and services associated with developing or obtaining internal use computer software. In addition, the Company also capitalizes payroll and payroll-related costs for employees who are directly associated with internal use computer software projects. The amount of capitalizable payroll costs with respect to these employees is limited to direct time spent on such projects. Costs associated with preliminary project stage activities, training, maintenance, and all other post-implementation stage activities are expensed as incurred. The Company also expenses internal costs related to minor upgrades and enhancements, as it is impractical to separate these costs from normal maintenance activities. Refer to Note 9, "Goodwill and Intangible assets, Net" for a further description of the Company's capitalized software.

**R. Income Taxes.** The Company accounts for income taxes under the asset and liability method, which establishes financial accounting and reporting standards for the effect of income taxes. The objectives of accounting for income taxes are to recognize the amount of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in the Company's Consolidated Financial Statements or tax returns. Deferred tax assets and liabilities are recognized based on temporary differences between the consolidated financial statement carrying amounts and tax bases of assets and liabilities using enacted tax rates in effect in the years in which the temporary differences are expected to reverse.

Judgment is required in addressing the future tax consequences of events that have been recognized in our Consolidated Financial Statements or tax returns (e.g., realization of deferred tax assets, changes in tax laws or interpretations thereof). Valuation allowances are recognized to reduce deferred tax assets when it is more likely than not that the Company will not be able to utilize the deferred tax assets attributable to net operating and capital loss carryforwards of certain subsidiaries to offset future taxable earnings. The determination as to whether a deferred tax asset will be recognized is made on a jurisdictional basis and is based on the evaluation of historical taxable income or loss, projected future taxable income, carryforward periods, scheduled reversals of deferred tax liabilities and tax planning strategies. Projected future taxable income is based on expected results and assumptions as to the jurisdiction in which the income will be earned. The assumptions used to project future taxable income requires significant judgment and are consistent with the plans and estimates used to manage the underlying businesses. Refer to Note 15, "Income Taxes" for a further description of the Company's income taxes.

**S. Advertising Costs.** Advertising costs are expensed at the time the advertising takes place. Total advertising costs were \$4.1 million, \$6.3 million and \$4.2 million for the fiscal years ended June 30, 2019, 2018 and 2017, respectively.

**T. Concentration of Risk.** The majority of our clients operate in the financial services industry. In the fiscal years ended June 30, 2019, 2018 and 2017, we derived approximately 22%, 21% and 20% of our consolidated revenues from our five largest clients in that particular fiscal year, respectively. Our largest single client in each of our fiscal years 2019, 2018 and 2017 accounted for approximately 6% of our consolidated revenues.

**U. New Accounting Pronouncements.** In January 2017, the FASB issued ASU No. 2017-04, “Simplifying the Accounting for Goodwill Impairment” (“ASU No. 2017-04”). ASU No. 2017-04 removes Step 2 of the current goodwill impairment test, which currently requires a hypothetical purchase price allocation if the fair value of a reporting unit were to be less than its book value, for purposes of determining the amount of goodwill impaired. Under ASU No. 2017-04, the Company would now recognize an impairment charge for the amount by which the carrying amount of a reporting unit exceeds the fair value of the reporting unit; however, the loss recognized would not exceed the total amount of goodwill allocated to that reporting unit. ASU No. 2017-04 will be effective for the Company beginning in the first quarter of fiscal 2021, to be applied on a prospective basis. The pending adoption of this guidance is not expected to have a material impact on the Company’s Consolidated Financial Statements.

In January 2017, the FASB issued ASU No. 2017-01, ASU No. 2017-01, “Clarifying the Definition of a Business” (“ASU No. 2017-01”). ASU No. 2017-01 narrows the definition of a business, in part by concluding that an integrated set of assets and activities (referred to as a “set”) is not a business when substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in a single identifiable asset or group of similar identifiable assets. ASU No. 2017-01 became effective for the Company beginning in the first quarter of fiscal year 2019, and was applied on a prospective basis. The adoption of this guidance did not have a material impact on the Company’s Consolidated Financial Statements.

In February 2016, the FASB issued ASU No. 2016-02, “Leases” (“ASU No. 2016-02”), as subsequently amended by ASU No. 2018-10 “Codification Improvements to Topic 842, Leases”, ASU No. 2018-11 “Leases (Topic 842): Targeted Improvements”, and ASU No. 2018-20 “Leases (Topic 842): Narrow Scope Improvements for Lessors” (collectively referred to herein as “ASU No. 2016-02, as amended”). Under ASU No. 2016-02, as amended, all lease arrangements, with certain limited exceptions, exceeding a twelve-month term must now be recognized as assets and liabilities on the balance sheet of the lessee by recording a right-of-use asset and corresponding lease obligation generally equal to the present value of the future lease payments over the lease term. Further, the income statement will reflect lease expense for leases classified as operating and amortization/interest expense for leases classified as financing, determined using classification criteria substantially similar to the current lease guidance for distinguishing between an operating and capital lease. ASU No. 2016-02, as amended, also contains certain additional qualitative and quantitative disclosures to supplement the amounts recorded in the financial statements so that users can understand more about the nature of an entity’s leasing activities, including significant judgments and changes in judgments. ASU No. 2016-02, as amended, is effective for the Company in the first quarter of fiscal year 2020 and can be adopted using either a modified retrospective basis which requires adjustment to all comparative periods presented in the consolidated financial statements, or by recognizing a cumulative-effect adjustment to the opening balance of retained earnings at the date of initial application. The Company has elected to adopt ASU No. 2016-02, as amended, by recognizing a cumulative-effect adjustment to the opening balance of retained earnings at the date of initial application.

The Company has identified and implemented appropriate changes for adopting this new lease standard on its consolidated financial statements, including changes to related disclosures, accounting policies, and necessary control, process and system changes. The adoption of the new lease standard is expected to result in the recognition of lease liabilities of \$253 million and right-of-use assets of \$236 million, which include the impact of existing deferred rents and tenant improvement allowances on the consolidated balance sheet as of July 1, 2019 for real and personal property operating leases. The adoption of ASU 2016-02, as amended, will not have a material impact on the Company’s Consolidated Statements of Earnings or Consolidated Statements of Cash Flows.

Effective July 1, 2018, the Company adopted ASU No. 2014-09. ASU No. 2014-09 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most prior revenue recognition guidance, including industry specific requirements. It also includes guidance on accounting for the incremental costs of obtaining and costs incurred to fulfill a contract with a customer. The core principle of the revenue model is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. As a result, it is possible more judgment and estimates may be required within the revenue recognition process including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. ASU No. 2014-09 also requires certain enhanced disclosures, including disclosures on the nature, amount, timing and uncertainty of revenues and cash flows from contracts with customers.

The Company identified certain impacts of ASU No. 2014-09 on its Consolidated Financial Statements. Specifically, under ASU No. 2014-09, the Company now capitalizes certain sales commissions, and it capitalizes certain additional costs that are part of setting up or converting a client's systems to function with the Company's technology, both of which were previously expensed. Additionally, the Company now recognizes proxy revenue primarily at the time of proxy materials distribution to the client's shareholders rather than on the date of the client's shareholder meeting, which is typically 30 days after the proxy materials distribution. Other changes to the timing of revenue recognition include deferral of revenue from certain transaction processing platform enhancements as well as acceleration of revenue from certain multi-year software license arrangements that was previously recognized over the term of the software subscription.

The Company adopted ASU No. 2014-09 using the modified retrospective transition method applied to all contracts, which resulted in a cumulative-effect increase in the opening balance of retained earnings of \$101.3 million, most notably related to the deferral of incremental sales commissions incurred in obtaining contracts in prior periods. Under this transition approach, the Company has not restated the prior period Consolidated Financial Statements presented. However, the Company has provided additional disclosures related to the amount by which each relevant fiscal 2019 financial statement line item was affected by the adoption of ASU No. 2014-09 and explanations for significant changes. See Note 3, "Revenue Recognition" for additional information about the Company's revenue recognition policies and the related impact of the Company's adoption of ASU No. 2014-09.

**V. Subsequent Events.** In preparing the accompanying Consolidated Financial Statements, the Company has reviewed events that have occurred after June 30, 2019 through the date of issuance of the Consolidated Financial Statements. Refer to Note 20, "Subsequent Events" for a description of the Company's subsequent events.

### **NOTE 3. REVENUE RECOGNITION**

#### ***Disaggregation of Revenue***

The Company has presented below its revenue disaggregated by product line and by revenue type within each of its Investor Communication Solutions and Global Technology and Operations reportable segments.

Fee revenues in the Investor Communication Solutions segment are derived from both recurring and event-driven activity. In addition, the level of recurring and event-driven activity the Company processes directly impacts distribution revenues. While event-driven activity is highly repeatable, it may not recur on an annual basis. Event-driven fee revenues are based on the number of special events and corporate transactions the Company processes. Event-driven activity is impacted by financial market conditions and changes in regulatory compliance requirements, resulting in fluctuations in the timing and levels of event-driven fee revenues. Distribution revenues primarily include revenues related to the physical mailing of proxy materials, interim communications, transaction reporting, customer communications and fulfillment services, as well as Matrix administrative services.

	Fiscal Year Ended June 30, 2019
	(in millions)
Investor Communication Solutions	
Equity proxy	\$ 437.0
Mutual fund and exchange traded funds (“ETF”) interims	265.9
Customer communications and fulfillment	736.4
Other ICS	366.5
Total ICS Recurring fee revenues	1,805.8
Equity and other	107.3
Mutual funds	137.2
Total ICS Event-driven fee revenues	244.5
Distribution revenues	1,460.8
Total ICS Revenues	\$ 3,511.1
Global Technology and Operations	
Equities and other	\$ 788.9
Fixed income	164.6
Total GTO Recurring fee revenues	953.5
Foreign currency exchange	(102.4)
Total Revenues	\$ 4,362.2
Revenues by Type	
Recurring fee revenues	\$ 2,759.3
Event-driven fee revenues	244.5
Distribution revenues	1,460.8
Foreign currency exchange	(102.4)
Total Revenues	\$ 4,362.2

### ***Contract Balances***

The following table provides information about contract assets and liabilities:

	June 30, 2019	July 1, 2018
	(in millions)	
Contract assets	\$ 47.5	\$ 35.5
Contract liabilities	\$ 251.6	\$ 162.8

Contract assets result from revenue already recognized but not yet invoiced, including certain future amounts to be collected under software term licenses and certain other client contracts. Contract liabilities represent consideration received or receivable from clients before the transfer of control occurs (deferred revenue). Contract balances are reported in a net contract asset or liability position on a contract-by-contract basis at the end of each reporting period.

During the fiscal year ended June 30, 2019, contract liabilities increased primarily due to the impact of client contract terminations. The Company recognized \$96.4 million of revenue during the fiscal year ended June 30, 2019 that was included in the contract liability balance as of July 1, 2018.

### ***Changes in Accounting Policy***

Except for the changes below, the Company has consistently applied its revenue and cost accounting policies to all periods presented in its Consolidated Financial Statements. The details of the significant changes are disclosed below.

- **Sales Commissions** - The Company previously recognized sales commissions related to contracts with clients as selling expenses when incurred. Under ASU No. 2014-09, the Company capitalizes incremental sales commissions as costs of obtaining a contract and, if expected to be recovered, amortizes such costs using a portfolio approach consistent with the pattern of transfer of the good or service to which the asset relates.
- **Deferred Client Conversion and Start-Up Costs** - The Company previously capitalized direct and incremental client conversion or start-up costs to set up or convert a client's systems to function with the Company's technology that are expected to be recovered. Under ASU No. 2014-09, the Company capitalizes certain additional client conversion or start-up costs that are directly related to the client conversion but that are not considered incremental costs to the Company.
- **Proxy Revenues** - The Company previously recognized proxy revenues following the client's shareholder meeting, which is typically 30 days after the proxy materials distribution. Under ASU No. 2014-09, the Company recognizes proxy revenues primarily at the time of proxy materials distribution to the client's shareholders.
- **Software Term License Revenues** - The Company previously recognized revenue from software term licenses that are not hosted by the Company ratably over the contract term. Under ASU No. 2014-09, for software license arrangements that are distinct, the Company recognizes software license revenue upon delivery assuming a contract is deemed to exist. For arrangements with clients that include significant customization, modification or production of software such that the software is not distinct from the associated implementation services, revenue is typically recognized over time based upon efforts expended to measure progress towards completion or in certain cases upon completion of the installation. Software term license revenue is not a significant portion of the Company's revenues.
- **Termination Fees** - The Company previously recognized client contract termination fees at a point in time upon deconversion or receipt of a non-refundable cash payment. Under ASU No. 2014-09, a contract termination is considered a contract modification and therefore, the Company recognizes contract termination fees over the remaining modified contract term.

## Quantitative Impact on Financial Statements

The following tables summarize the impact of ASU No. 2014-09 adoption on the Company's Consolidated Statement of Earnings for the fiscal year ended June 30, 2019.

	Fiscal Year Ended June 30, 2019					
			Effects of ASU 2014-09	Without Effects of ASU No. 2014-09		
	As reported					
(in millions)						
Consolidated Statement of Earnings						
Revenues (1)	\$	4,362.2	\$	101.1	\$	4,463.3
Cost of revenues		3,131.9		15.8		3,147.8
Selling, general and administrative expenses		577.5		8.0		585.5
Operating income		652.7		77.4		730.0
Earnings before income taxes		607.3		77.4		684.6
Provision for income taxes		125.2		19.1		144.3
Net earnings	\$	482.1	\$	58.2	\$	540.3
Basic earnings per share	\$	4.16	\$	0.50	\$	4.66
Diluted earnings per share	\$	4.06	\$	0.49	\$	4.55

(1) The effects of ASU No. 2014-09 on revenues includes contract modifications.

The following table summarizes the impact of ASU No. 2014-09 adoption on the Company's Consolidated Balance Sheet as of June 30, 2019.

	As reported	Effects of ASU 2014-09	Without Effects of ASU No. 2014-09
	(in millions)		
Consolidated Balance Sheet			
Assets:			
Current assets	\$ 1,042.3	\$ 1.2	\$ 1,043.5
Total assets	\$ 3,880.7	\$ (127.8)	\$ 3,752.9
Liabilities:			
Current liabilities	\$ 802.6	\$ (3.4)	\$ 799.2
Total liabilities	\$ 2,753.2	\$ (82.6)	\$ 2,670.6
Stockholders' equity:			
Total stockholders' equity	\$ 1,127.5	\$ (45.2)	\$ 1,082.3

The adoption of ASU No. 2014-09 did not change the net cash provided by or used in operating activities, investing activities or financing activities on the Consolidated Statements of Cash Flows, nor the amount of Other comprehensive income (loss) on the Consolidated Statements of Comprehensive Income.

## NOTE 4. EARNINGS PER SHARE

Basic earnings per share ("EPS") is calculated by dividing the Company's Net earnings by the basic Weighted-average shares outstanding for the periods presented. The Company calculates diluted EPS using the treasury stock method, which reflects the potential dilution that could occur if outstanding stock options at the presented date are exercised and restricted stock unit awards have vested.

As of June 30, 2019, 2018 and 2017, the computation of diluted EPS did not include 0.4 million, 1.1 million and 0.5 million options to purchase Broadridge common stock, respectively, as the effect of their inclusion would have been anti-dilutive.

The following table sets forth the denominators of the basic and diluted EPS computations:

	Years ended June 30,		
	2019	2018	2017
	(in millions)		
Weighted-average shares outstanding:			
Basic	115.9	116.8	118.0
Common stock equivalents	2.9	3.5	2.8
Diluted	118.8	120.4	120.8

The following table sets forth the computation of basic EPS utilizing Net earnings for the following fiscal years and the Company's basic Weighted-average shares outstanding:

	Years ended June 30,		
	2019	2018	2017
	(in millions, except per share amounts)		
Net earnings	\$ 482.1	\$ 427.9	\$ 326.8
Basic Weighted-average shares outstanding	115.9	116.8	118.0
Basic EPS	\$ 4.16	\$ 3.66	\$ 2.77

The following table sets forth the computation of diluted EPS utilizing Net earnings for the following fiscal years and the Company's diluted Weighted-average shares outstanding:

	Years ended June 30,		
	2019	2018	2017
	(in millions, except per share amounts)		
Net earnings	\$ 482.1	\$ 427.9	\$ 326.8
Diluted Weighted-average shares outstanding	118.8	120.4	120.8
Diluted EPS	\$ 4.06	\$ 3.56	\$ 2.70

#### NOTE 5. INTEREST EXPENSE, NET

Interest expense, net consisted of the following:

	Years ended June 30,		
	2019	2018	2017
	(in millions)		
Interest expense on borrowings	\$ (45.9)	\$ (42.4)	\$ (44.7)
Interest income	4.2	3.8	2.0
Interest expense, net	\$ (41.8)	\$ (38.6)	\$ (42.7)

#### NOTE 6. ACQUISITIONS

Assets acquired and liabilities assumed in business combinations are recorded on the Company's Consolidated Balance Sheets as of the respective acquisition date based upon the estimated fair values at such date. The results of operations of the businesses acquired by the Company are included in the Company's Consolidated Statements of Earnings beginning on the respective dates of acquisition. The excess of the purchase price over the estimated fair values of the underlying assets acquired and liabilities assumed is allocated to Goodwill.

The Company is providing pro forma supplemental information for the acquisition of net assets of the North America Customer Communications (“NACC”) business of DST Systems, Inc., as the Company deemed this acquisition to be material to the Company’s operating results. Pro forma supplemental financial information for all acquisitions, excluding NACC, is not provided as the impact of these acquisitions on the Company’s operating results was not material for any acquisition individually or in the aggregate.

### **Fiscal Year 2019 Acquisitions:**

### **BUSINESS COMBINATIONS**

Financial information on each transaction is as follows:

	<b>Rockall</b>	<b>RPM</b>	<b>TD Ameritrade</b>	<b>Total</b>
	(in millions)			
Cash payments, net of cash acquired	\$ 34.9	\$ 258.3	\$ 61.5	\$ 354.7
Deferred payments, net	(0.1)	43.8	—	43.7
Contingent consideration liability	7.1	0.8	—	7.9
Aggregate purchase price	<u>\$ 41.9</u>	<u>\$ 302.9</u>	<u>\$ 61.5</u>	<u>\$ 406.4</u>
Net tangible assets acquired / (liabilities assumed)	\$ (1.2)	\$ 9.7	\$ —	\$ 8.4
Goodwill	28.9	191.5	27.3	247.7
Intangible assets	14.2	101.7	34.2	150.2
Aggregate purchase price	<u>\$ 41.9</u>	<u>\$ 302.9</u>	<u>\$ 61.5</u>	<u>\$ 406.4</u>

### **Rockall**

In May 2019, the Company completed the acquisition of Rockall, a market leading provider of securities-based lending (“SBL”) and collateral management solutions for wealth management firms and commercial banks. The acquisition expands Broadridge's core front-to-back office wealth capabilities, providing innovative SBL and collateral management technology solutions to help firms manage risk and optimize clients' securities lending and financing needs.

- The contingent consideration liability is payable over the next two years upon the achievement by the acquired business of certain revenue targets, and has a maximum potential pay-out of \$10.1 million upon the achievement in full of the defined financial targets by the acquired business.
- Goodwill is not tax deductible.
- Intangible assets acquired consist primarily of software technology and customer relationships, which are being amortized over a four-year life and six-year life, respectively.

The allocation of the purchase price will be finalized upon completion of the analysis of the fair values of the acquired business’ assets and liabilities, and is still subject to a working capital adjustment.

### **RPM**

In June 2019, Broadridge acquired RPM, a leading Canadian provider of enterprise wealth management software solutions and services. The acquisition brings important new capabilities and next-generation technology to clients of both RPM and Broadridge.

- The contingent consideration liability is payable over the next two years upon the achievement by the acquired business of certain revenue targets, and has a maximum potential pay-out of \$3.7 million upon the achievement in full of the defined financial targets by the acquired business.
- Goodwill is partially tax deductible.
- Intangible assets acquired consist primarily of software technology and customer relationships, which are being amortized over a five-year life and seven-year life, respectively.

The allocation of the purchase price will be finalized upon completion of the analysis of the fair values of the acquired business’ assets and liabilities, and is still subject to a working capital adjustment.



### **TD Ameritrade**

In June 2019, Broadridge acquired the retirement plan custody and trust assets from TD Ameritrade Trust Company, a subsidiary of TD Ameritrade Holding Company. The acquisition expands Broadridge's suite of solutions for the growing qualified and non-qualified retirement plan services market and the support it provides for third-party administrators, financial advisors, record-keepers, banks, and brokers.

- Goodwill is tax deductible.
- Intangible assets acquired consist of customer relationships, which are being amortized over a seven-year life.

The allocation of the purchase price will be finalized upon completion of the analysis of the fair values of the acquired business' assets and liabilities, and is still subject to a working capital adjustment.

### **Fiscal Year 2018 Acquisitions:**

### **BUSINESS COMBINATIONS**

Financial information on each transaction is as follows:

	Summit	ActivePath	FundAssist	Total
	(in millions)			
Cash payments, net of cash acquired	\$ 26.4	\$ 21.8	\$ 41.3	\$ 89.5
Deferred payments, net	1.4	2.4	—	3.8
Contingent consideration liability (acquisition date fair value)	2.7	—	6.4	9.2
Aggregate purchase price	<u>\$ 30.6</u>	<u>\$ 24.2</u>	<u>\$ 47.7</u>	<u>\$ 102.5</u>
Net tangible assets acquired / (liabilities assumed)	\$ 0.2	\$ (10.0)	\$ (1.9)	\$ (11.7)
Goodwill	18.5	28.7	29.2	76.3
Intangible assets	12.0	5.6	20.4	38.0
Aggregate purchase price	<u>\$ 30.6</u>	<u>\$ 24.2</u>	<u>\$ 47.7</u>	<u>\$ 102.5</u>

### **Summit**

In October 2017, the Company acquired Summit, a full service financial document management solutions provider, including document composition and regulatory filing services.

- The contingent consideration liability is payable over the next three years upon the achievement by the acquired business of certain revenue and earnings targets, and has a maximum potential pay-out of \$11.0 million upon the achievement in full of the defined financial targets by the acquired business.
- The fair value of the contingent consideration liability at June 30, 2019 is \$7.4 million.
- Goodwill is primarily tax deductible.
- Intangible assets acquired consist primarily of software technology and customer relationships, which are being amortized over a five-year life and seven-year life, respectively.

### **ActivePath**

In March 2018, the Company acquired ActivePath, a digital technology company with technology that enhances the consumer experience associated with consumer statements, bills and regulatory communications.

- Goodwill is not tax deductible.
- Intangible assets acquired consist primarily of software technology and customer relationships, which are being amortized over a five-year life and two-year life, respectively.

### **FundAssist**

In May 2018, the Company acquired FundAssist, a regulatory, marketing and sales solutions service provider to the global investments industry.

- The contingent consideration liability contains a revenue component which will be settled in fiscal year 2021, based on the achievement of a defined revenue target by the acquired business.
- The fair value of the contingent consideration liability at June 30, 2019 is \$7.0 million.
- Goodwill is not tax deductible.
- Intangible assets acquired consist primarily of customer relationships and software technology, which are being amortized over a six-year life and five-year life, respectively.

## **ASSET ACQUISITION**

### **Purchase of Intellectual Property**

In February 2018, the Company paid \$40.0 million to an affiliate of Inveshare, Inc. (“Inveshare”) for the delivery of blockchain technology applications, as contemplated as part of the Company’s acquisition of intellectual property assets from Inveshare.

### **Fiscal Year 2017 Acquisitions:**

## **BUSINESS COMBINATIONS**

Financial information on each transaction is as follows:

	NACC	M&O	MAL	Total
	(in millions)			
Cash payments, net of cash acquired	\$ 406.2	\$ 22.4	\$ 20.1	\$ 448.7
Note payable to sellers	—	2.5	3.2	5.7
Contingent consideration liability (acquisition date fair value)	—	—	1.4	1.4
Other closing adjustments	3.8	—	—	3.8
Aggregate purchase price	<u>\$ 410.0</u>	<u>\$ 24.9</u>	<u>\$ 24.8</u>	<u>\$ 459.6</u>
Net tangible assets acquired / (liabilities assumed)	\$ 52.2	\$ (3.5)	\$ (2.9)	\$ 45.8
Goodwill	135.7	17.2	22.6	175.5
Intangible assets	218.3	11.2	14.7	244.1
Other closing adjustments	3.8	—	—	3.8
Fair value of the Company’s pre-existing investment in MAL	—	—	(9.6)	(9.6)
Aggregate purchase price, net of other closing adjustments	<u>\$ 410.0</u>	<u>\$ 24.9</u>	<u>\$ 24.8</u>	<u>\$ 459.6</u>

### **NACC**

In July 2016, the Company’s Investor Communication Solutions segment acquired the net assets of the NACC business of DST Systems, Inc., a leading provider of customer communication services including print and digital communication solutions, content management, postal optimization, and fulfillment.

- The aggregate purchase price was \$410.0 million in cash, or \$406.2 million net of cash acquired and other closing adjustments.
- Goodwill is primarily tax deductible.
- Intangible assets acquired consist primarily of customer relationships and software technology, which are being amortized over a ten-year life and seven-year life, respectively.

The following summarizes the allocation of purchase price for the NACC acquisition (in millions):

	<u>NACC</u>
Accounts receivable, net	\$ 89.1
Other current assets	19.5
Property, plant and equipment	45.0
Intangible assets	218.3
Goodwill	135.7
Other non-current assets	1.6
Accounts payable	(14.3)
Accrued expenses and other current liabilities	(62.9)
Deferred taxes	(21.9)
Deferred revenue	(1.1)
Other long term liabilities	(2.9)
Consideration paid, net of cash acquired	<u>\$ 406.2</u>

### **Unaudited Pro Forma Financial Information**

The unaudited pro forma condensed consolidated results of operations in the table below are provided for illustrative purposes only and summarize the combined results of operations of Broadridge and NACC. For purposes of this pro forma presentation, the acquisition of NACC is assumed to have occurred on July 1, 2015. The pro forma financial information for all periods presented also includes the estimated business combination accounting effects resulting from this acquisition, notably amortization expense from the acquired intangible assets, interest expense from a recent bond offering, the proceeds of which were used to fund the acquisition, and certain integration related expenses.

This unaudited pro forma financial information should not be relied upon as being indicative of the historical results that would have been obtained if the acquisition had actually occurred on July 1, 2015, nor of the results of operations that may be obtained in the future.

	<u>Years ended June 30,</u>	
	<u>2017</u>	<u>2016</u>
(in millions, except per share amounts)		
Revenues	\$ 4,142.6	\$ 4,059.3
Net earnings	\$ 335.6	\$ 312.4
Basic earnings per share	\$ 2.84	\$ 2.64
Diluted earnings per share	\$ 2.78	\$ 2.57

### **M&O**

In November 2016, the Company's Global Technology and Operations segment acquired M&O Systems, Inc. ("M&O"). M&O is a provider of SaaS-based compensation management and related solutions for broker-dealers and registered investment advisors, and is now known as Broadridge Advisor Compensation Solutions.

- Goodwill is not tax deductible.
- Intangible assets acquired consist primarily of customer relationships and acquired software technology, which are being amortized over a seven-year life and six-year life, respectively.

## **MAL**

In March 2017, the Company's Global Technology and Operations segment acquired Message Automation Limited ("MAL"), which is a specialist provider of post-trade control solutions for sell-side and buy-side firms. The Company previously owned 25% of MAL through its acquisition of City Networks Ltd in fiscal year 2010, and purchased the remaining 75% of the company.

- The contingent consideration liability is payable over the next four years upon the achievement by the acquired business of certain revenue and earnings targets.
- The contingent consideration liability has a maximum potential pay-out of \$2.8 million upon the achievement in full of the defined financial targets by the acquired business.
- The fair value of the Company's 25% pre-existing investment in MAL was determined to be \$9.6 million, implied by the aggregate purchase price of the remaining 75% purchased, which resulted in a non-cash, nontaxable gain on investment of \$9.3 million ("MAL investment gain"), included as part of Other non-operating income (expenses), net.
- Goodwill is not tax deductible.
- Intangible assets acquired consist primarily of customer relationships and acquired software technology, which are being amortized over a seven-year life and five-year life, respectively.

The fair value of the remaining contingent consideration liability at June 30, 2019 is \$1.8 million.

## **ASSET ACQUISITION**

### **Purchase of Intellectual Property**

In September 2016, the Company's Investor Communication Solutions segment acquired intellectual property assets from Inveshare and concurrently entered into a development agreement with an affiliate of Inveshare to use these assets to develop blockchain technology applications for Broadridge's proxy business. The purchase price was \$95.0 million, which consisted of a \$90.0 million cash payment upon closing of the acquisition and a \$5.0 million obligation payable which the Company paid in September 2017.

## **NOTE 7. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Accounting guidance on fair value measurements for certain financial assets and liabilities requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1	Quoted market prices in active markets for identical assets and liabilities.
Level 2	Observable market-based inputs other than quoted prices in active markets for identical assets and liabilities.
Level 3	Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

In valuing assets and liabilities, the Company is required to maximize the use of quoted market prices and minimize the use of unobservable inputs. The Company calculates the fair value of its Level 1 and Level 2 instruments, as applicable, based on the exchange traded price of similar or identical instruments where available or based on other observable instruments. These calculations take into consideration the credit risk of both the Company and its counterparties. The Company has not changed its valuation techniques in measuring the fair value of any financial assets and liabilities during the period.

The fair value of the contingent consideration obligations are based on a probability weighted approach derived from the estimates of earn-out criteria and the probability assessment with respect to the likelihood of achieving those criteria. The measurement is based on significant inputs that are not observable in the market, therefore, the Company classifies this liability as Level 3 in the table below.

The following tables set forth the Company's financial assets and liabilities at June 30, 2019 and 2018, respectively, which are measured at fair value on a recurring basis during the period, segregated by level within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
(in millions)				
<b>Assets:</b>				
Cash and cash equivalents:				
Money market funds (1)	\$ 68.1	\$ —	\$ —	\$ 68.1
Other current assets:				
Securities	0.4	—	—	0.4
Other non-current assets:				
Securities	81.8	—	—	81.8
Total assets as of June 30, 2019	<u>\$ 150.3</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 150.3</u>
<b>Liabilities:</b>				
Contingent consideration obligations	\$ —	\$ —	\$ 28.4	\$ 28.4
Total liabilities as of June 30, 2019	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 28.4</u>	<u>\$ 28.4</u>

	Level 1	Level 2	Level 3	Total
(in millions)				
<b>Assets:</b>				
Cash and cash equivalents:				
Money market funds (1)	\$ 86.8	\$ —	\$ —	\$ 86.8
Other current assets:				
Securities	0.1	—	—	0.1
Other non-current assets:				
Securities	66.9	—	—	66.9
Total assets as of June 30, 2018	<u>\$ 153.8</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 153.8</u>
<b>Liabilities:</b>				
Contingent consideration obligations	\$ —	\$ —	\$ 18.6	\$ 18.6
Total liabilities as of June 30, 2018	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 18.6</u>	<u>\$ 18.6</u>

(1) Money market funds include money market deposit account balances of \$30.1 million and \$28.4 million as of June 30, 2019 and 2018, respectively.

In addition, the Company has non-marketable securities with a carrying amount of \$12.9 million as of June 30, 2019 and \$7.3 million as of June 30, 2018 that are classified as Level 2 financial assets and included as part of Other non-current assets.

The following table sets forth an analysis of changes during fiscal years 2019 and 2018 in Level 3 financial liabilities of the Company:

	June 30,	
	2019	2018
(in millions)		
Beginning balance	\$ 18.6	\$ 6.7
Additional contingent consideration incurred	7.9	13.5
Net increase (decrease) in contingent consideration liability	3.6	(1.1)
Foreign currency impact on contingent consideration liability	(0.6)	0.2
Payments	(1.0)	(0.7)
Ending balance	<u>\$ 28.4</u>	<u>\$ 18.6</u>

The Company did not incur any Level 3 fair value asset impairments during fiscal year 2019. The Company incurred a Level 3 fair value asset impairment of \$1.1 million in fiscal year 2018. Changes in economic conditions or model based valuation techniques may require the transfer of financial instruments between levels. The Company's policy is to record transfers between levels if any, as of the beginning of the fiscal year.

**NOTE 8. PROPERTY, PLANT AND EQUIPMENT, NET**

Property, plant and equipment at cost and Accumulated depreciation at June 30, 2019 and 2018 are as follows:

	June 30,	
	2019	2018
	(in millions)	
Property, plant and equipment:		
Land and buildings	\$ 2.6	\$ 2.6
Equipment	435.6	432.1
Furniture, leaseholds and other	174.6	161.5
	612.9	596.3
Less: Accumulated depreciation	(423.9)	(392.2)
Property, plant and equipment, net	\$ 189.0	\$ 204.1

In fiscal years 2019 and 2018, Property, plant and equipment and Accumulated depreciation were each reduced by \$32.8 million and \$40.3 million, respectively, for asset retirements related to fully depreciated property, plant and equipment no longer in use.

Depreciation expense for Property, plant and equipment for the years ended June 30, 2019, 2018 and 2017 was as follows:

	Years ended June 30,		
	2019	2018	2017
	(in millions)		
Depreciation expense for Property, plant and equipment	\$ 65.8	\$ 63.4	\$ 53.5

**NOTE 9. GOODWILL AND INTANGIBLE ASSETS, NET**

Changes in Goodwill for the fiscal years ended June 30, 2019 and 2018 are as follows:

	Investor Communication Solutions	Global Technology and Operations	Total
	(in millions)		
Goodwill, gross, at July 1, 2017	\$ 821.0	\$ 338.4	\$ 1,159.3
Transfers (a)	(38.7)	38.7	—
Additions	88.2	—	88.2
Fair value adjustments (b)	—	—	—
Foreign currency translation and other	13.9	(6.5)	7.4
Accumulated impairment losses	—	—	—
Goodwill, net, at June 30, 2018	\$ 884.4	\$ 370.5	\$ 1,254.9
Goodwill, gross, at June 30, 2018	\$ 884.4	\$ 370.5	\$ 1,254.9
Additions	27.3	220.4	247.7
Fair value adjustments (b)	7.4	—	7.4
Foreign currency translation and other	(3.2)	(6.8)	(10.0)
Accumulated impairment losses	—	—	—
Goodwill, net, at June 30, 2019	\$ 915.9	\$ 584.2	\$ 1,500.0

(a) In connection with an organizational change made in the second quarter of fiscal year 2018, in order to further align and enhance our portfolio of services, certain discrete services that were previously reported in our Investor Communication Solutions reportable segment are now reported within the Global Technology and Operations reportable segment. As a result, \$38.7 million of goodwill was reclassified from the ICS segment to the GTO segment based on a relative fair value analysis.

(b) Fair value adjustments includes adjustments to goodwill as part of the finalization of purchase price allocation related to the ActivePath acquisition.

Additions for the fiscal year ended June 30, 2019 include \$28.9 million, \$191.5 million and \$27.3 million for the acquisitions of Rockall, RPM and TD Ameritrade, respectively. Additions for the fiscal year ended June 30, 2018 include \$18.5 million, \$28.7 million and \$29.2 million for the acquisitions of Summit, ActivePath and FundAssist, respectively.

During fiscal years 2019, 2018 and 2017, the Company performed the required impairment tests of Goodwill and determined that there was no impairment. The Company also performs a sensitivity analysis under Step 1 of the goodwill impairment test assuming hypothetical reductions in the fair values of the reporting units. A 10% change in our estimates of projected future operating cash flows, discount rates, or terminal value growth rates, which are the most significant estimates used in our calculations of the fair values of the reporting units, would not result in an impairment of our goodwill.

Intangible assets at cost and accumulated amortization at June 30, 2019 and 2018 are as follows:

	June 30,					
	2019			2018		
	Original Cost	Accumulated Amortization	Intangible Assets, net	Original Cost	Accumulated Amortization	Intangible Assets, net
	(in millions)					
Software licenses	\$ 125.8	\$ (101.7)	\$ 24.1	\$ 117.5	\$ (87.5)	\$ 30.0
Acquired software technology	164.7	(85.5)	79.3	117.8	(73.0)	44.8
Customer contracts and lists	549.6	(207.4)	342.1	453.8	(162.1)	291.7
Acquired intellectual property	135.0	(63.8)	71.2	135.0	(36.9)	98.1
Other intangibles	63.6	(24.1)	39.5	47.7	(18.2)	29.5
	<u>\$ 1,038.7</u>	<u>\$ (482.5)</u>	<u>\$ 556.2</u>	<u>\$ 871.8</u>	<u>\$ (377.7)</u>	<u>\$ 494.1</u>

In fiscal years 2019 and 2018, intangible assets and accumulated amortization were reduced by \$0.2 million and \$36.7 million, respectively, for asset retirements related to fully amortized intangibles.

Other intangibles consist of capitalized internal use software and the following intangible assets acquired in business acquisitions: intellectual property, covenants, patents, and trademarks. All of the intangible assets have finite lives and as such, are subject to amortization.

The weighted-average remaining useful life of the intangible assets is as follows:

	Weighted-Average Remaining Useful Life (Years)
Acquired software technology	4.0
Software licenses	2.4
Customer contracts and lists	6.3
Acquired intellectual property	2.8
Other intangibles	4.3
Total weighted-average remaining useful life	5.2

Amortization of intangibles for the years ended June 30, 2019, 2018 and 2017 was as follows:

	Years ended June 30,		
	2019	2018	2017
	(in millions)		
Amortization expense for intangible assets	\$ 106.8	\$ 100.2	\$ 87.7

Estimated remaining amortization expenses of the Company's existing intangible assets for the next five fiscal years and thereafter are as follows:

<b>Years Ending June 30,</b>	<b>(in millions)</b>
2020	\$ 128.2
2021	118.5
2022	95.1
2023	76.0
2024	61.2
Thereafter	77.2

#### **NOTE 10. OTHER NON-CURRENT ASSETS**

Other non-current assets consisted of the following:

	<b>June 30,</b>	
	<b>2019</b>	<b>2018</b>
	<b>(in millions)</b>	
Deferred client conversion and start-up costs	\$ 254.7	\$ 169.5
Deferred sales commissions costs	95.5	—
Contract assets (a)	47.5	16.5
Deferred data center costs (b)	29.0	35.0
Long-term investments	100.4	80.3
Long-term broker fees	35.3	28.7
Other	30.6	30.5
Total	<u>\$ 593.1</u>	<u>\$ 360.5</u>

(a) Contract assets result from revenue already recognized but not yet invoiced, including certain future amounts to be collected under software term licenses and certain other client contracts.

(b) Represents deferred data center costs associated with the Company's information technology services agreements with International Business Machines Corporation ("IBM"). Please refer to Note 16, "Contractual Commitments, Contingencies and Off-Balance Sheet Arrangements" for a further discussion.

The total amount of deferred client conversion and start-up costs and deferred sales commission costs amortized in Operating expenses for the fiscal year ended June 30, 2019 was \$65.7 million.

#### **NOTE 11. PAYABLES AND ACCRUED EXPENSES**

Payables and accrued expenses consisted of the following:

	<b>June 30,</b>	
	<b>2019</b>	<b>2018</b>
	<b>(in millions)</b>	
Accounts payable	\$ 133.7	\$ 156.2
Employee compensation and benefits	232.2	233.2
Accrued broker fees	87.0	85.2
Accrued taxes	68.9	20.3
Accrued dividend payable	55.4	42.5
Managed services administration fees	53.1	55.3
Customer deposits	34.8	39.2
Other	46.6	39.1
Total	<u>\$ 711.7</u>	<u>\$ 671.0</u>



## NOTE 12. BORROWINGS

Outstanding borrowings and available capacity under the Company's borrowing arrangements were as follows:

	Expiration Date	Principal amount outstanding at June 30, 2019	Carrying value at June 30, 2019	Carrying value at June 30, 2018	Unused Available Capacity	Fair Value at June 30, 2019
(in millions)						
<b>Long-term debt</b>						
Fiscal 2019 Revolving Credit Facility:						
U.S. dollar tranche	March 2024	\$ 360.0	\$ 360.0	\$ 160.0	\$ 740.0	\$ 360.0
Multicurrency tranche	March 2024	215.7	215.7	—	184.3	215.7
Total Revolving Credit Facility		<u>\$ 575.7</u>	<u>\$ 575.7</u>	<u>\$ 160.0</u>	<u>\$ 924.3</u>	<u>\$ 575.7</u>
Fiscal 2014 Senior Notes	September 2020	400.0	399.2	398.5	—	405.4
Fiscal 2016 Senior Notes	June 2026	500.0	495.5	494.8	—	509.8
Total debt		<u>\$ 1,475.7</u>	<u>\$ 1,470.4</u>	<u>\$ 1,053.4</u>	<u>\$ 924.3</u>	<u>\$ 1,490.9</u>

Future principal payments on the Company's outstanding debt are as follows:

Years ending June 30,	2020	2021	2022	2023	2024	Thereafter	Total
(in millions)	\$ —	\$ 400.0	\$ —	\$ —	\$ 575.7	\$ 500.0	\$ 1,475.7

*Fiscal 2019 Revolving Credit Facility:* On March 18, 2019, the Company entered into an amended and restated \$1.5 billion five-year revolving credit facility (the "Fiscal 2019 Revolving Credit Facility"), which replaced the \$1.0 billion five-year revolving credit facility entered into during February 2017 (the "Fiscal 2017 Revolving Credit Facility") (together the "Revolving Credit Facilities"). The Fiscal 2019 Revolving Credit Facility is comprised of a \$1.1 billion U.S. dollar tranche and a \$400.0 million multicurrency tranche. At June 30, 2019, the Company had \$575.7 million in total outstanding borrowings and had total unused available capacity of \$924.3 million under the Fiscal 2019 Revolving Credit Facility.

The weighted-average interest rate on the Revolving Credit Facilities was 3.26%, 2.44% and 1.79% for the fiscal years ended June 30, 2019, 2018 and 2017, respectively. The fair value of the variable-rate Fiscal 2019 Revolving Credit Facility borrowings at June 30, 2019 approximates carrying value and has been classified as a Level 2 financial liability (as defined in Note 7, "Fair Value of Financial Instruments").

Borrowings under the Fiscal 2019 Revolving Credit Facility can be made in tranches up to 360 days and bear interest at LIBOR plus 101.5 basis points. The Fiscal 2017 Revolving Credit Facility bore interest at LIBOR plus 100 basis points. In addition, the Fiscal 2019 Revolving Credit Facility has an annual facility fee equal to 11.0 basis points on the entire facility, compared to 12.5 basis points on the Fiscal 2017 Revolving Credit Facility. The Company incurred an incremental \$2.3 million in costs to establish the Fiscal 2019 Revolving Credit Facility. As of June 30, 2019, \$3.6 million of the aggregate costs related to the Company's Revolving Credit Facility remain to be amortized. Such costs are capitalized in Other non-current assets in the Consolidated Balance Sheets and are being amortized to Interest expense, net on a straight-line basis, which approximates the effective interest method, over the term of the Fiscal 2019 Revolving Credit Facility.

The Company may voluntarily prepay, in whole or in part and without premium or penalty, borrowings under the Fiscal 2019 Revolving Credit Facility in accordance with individual drawn loan maturities. The Fiscal 2019 Revolving Credit Facility is subject to certain covenants, including a leverage ratio. At June 30, 2019, the Company is in compliance with all covenants of the Fiscal 2019 Revolving Credit Facility.

*Fiscal 2014 Senior Notes:* In August 2013, the Company completed an offering of \$400.0 million in aggregate principal amount of senior notes (the "Fiscal 2014 Senior Notes"). The Fiscal 2014 Senior Notes will mature on September 1, 2020 and bear interest at a rate of 3.95% per annum. Interest on the Fiscal 2014 Senior Notes is payable semi-annually in arrears on March 1st and September 1st of each year. The Fiscal 2014 Senior Notes were issued at a price of 99.871% (effective yield to maturity of 3.971%). The indenture governing the Fiscal 2014 Senior Notes contains certain covenants including covenants restricting the Company's ability to create or incur liens securing indebtedness for borrowed money and to enter into certain sale-leaseback transactions. At June 30, 2019, the Company is in compliance with the covenants of the indenture governing the Fiscal 2014 Senior Notes. The indenture also contains covenants regarding the purchase of the Fiscal 2014 Senior Notes upon a

change of control triggering event. The Company may redeem the Fiscal 2014 Senior Notes in whole or in part at any time before their maturity. The Company incurred \$4.3 million in debt issuance costs to establish the Fiscal 2014 Senior Notes. These costs have been capitalized and are being amortized to Interest expense, net on a straight-line basis, which approximates the effective interest method over the seven-year term. As of June 30, 2019 and June 30, 2018, \$0.7 million and \$1.3 million, respectively, of debt issuance costs remain to be amortized and have been presented as a direct deduction from the carrying value of the Fiscal 2014 Senior Notes. The fair value of the fixed-rate Fiscal 2014 Senior Notes at June 30, 2019 and 2018 was \$405.4 million and \$405.8 million, respectively, based on quoted market prices and has been classified as a Level 1 financial liability (as defined in Note 7, "Fair Value of Financial Instruments").

*Fiscal 2016 Senior Notes:* In June 2016, the Company completed an offering of \$500.0 million in aggregate principal amount of senior notes (the "Fiscal 2016 Senior Notes"). The Fiscal 2016 Senior Notes will mature on June 27, 2026 and bear interest at a rate of 3.40% per annum. Interest on the Fiscal 2016 Senior Notes is payable semi-annually in arrears on June 27 and December 27 of each year. The Fiscal 2016 Senior Notes were issued at a price of 99.589% (effective yield to maturity of 3.449%). The indenture governing the Fiscal 2016 Senior Notes contains certain covenants including covenants restricting the Company's ability to create or incur liens securing indebtedness for borrowed money, to enter into certain sale-leaseback transactions, and to engage in mergers or consolidations and transfer or lease all or substantially all of our assets. At June 30, 2019, the Company is in compliance with the covenants of the indenture governing the Fiscal 2016 Senior Notes. The indenture also contains covenants regarding the purchase of the Fiscal 2016 Senior Notes upon a change of control triggering event. The Company may redeem the Fiscal 2016 Senior Notes in whole or in part at any time before their maturity. The Company incurred \$4.5 million in debt issuance costs to establish the Fiscal 2016 Senior Notes. These costs have been capitalized and are being amortized to Interest expense, net on a straight-line basis, which approximates the effective interest method, over the ten-year term. As of June 30, 2019 and June 30, 2018, \$3.0 million and \$3.5 million, respectively, of debt issuance costs remain to be amortized and have been presented as a direct deduction from the carrying value of the Fiscal 2016 Senior Notes. The fair value of the fixed-rate Fiscal 2016 Senior Notes at June 30, 2019 and June 30, 2018 was \$509.8 million and \$474.4 million, respectively, based on quoted market prices and has been classified as a Level 1 financial liability (as defined in Note 7, "Fair Value of Financial Instruments").

The Fiscal 2019 Revolving Credit Facility, Fiscal 2014 Senior Notes, and Fiscal 2016 Senior Notes are senior unsecured obligations of the Company and are ranked equally in right of payment.

In addition, certain of the Company's subsidiaries established unsecured, uncommitted lines of credit with banks. As of June 30, 2019 and 2018, respectively, there were no outstanding borrowings under these lines of credit.

### **NOTE 13. STOCK-BASED COMPENSATION**

*Incentive Equity Awards.* The Broadridge Financial Solutions, Inc. 2007 Omnibus Award Plan (the "2007 Plan") and 2018 Omnibus Award Plan (the "2018 Plan") provide for the granting of incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock, restricted stock units, phantom stock awards, stock bonuses and performance compensation awards to employees, non-employee directors, and other key individuals who perform services for the Company. The 2018 Plan was approved by shareholders in November 2018 and replaced the 2007 Plan. The accounting for stock-based compensation requires the measurement of stock-based compensation expense to be recognized in the Consolidated Statements of Earnings based on the fair value of the award on the date of grant. In accordance with the 2007 Plan and 2018 Plan, the Company's stock-based compensation consists of the following:

*Stock Options:* Stock options are granted to employees at exercise prices equal to the fair market value of the Company's common stock on the dates of grant. Stock options are generally issued under a graded vesting schedule, meaning that they vest ratably over four years, and have a term of 10 years. A portion of the stock options granted in fiscal year 2018 have a cliff vesting schedule meaning that they fully vest in four years from the grant date and have a term of 10 years. Compensation expense for stock options under a graded vesting schedule is recognized over the requisite service period for each separately vesting portion of the stock option award. Compensation expense for stock options under a cliff vesting schedule is recognized equally over the vesting period of four years with 25 percent of the cost recognized over each 12 months period net of estimated forfeitures.

*Time-based Restricted Stock Units:* The Company has a time-based restricted stock unit ("RSU") program under which RSUs representing the right to receive one share of the Company's common stock for each vested RSU are granted. Time-based RSUs typically vest two and one-half years from the date of grant. The Company records stock compensation expense for time-based RSUs net of estimated forfeitures on a straight-line basis over the vesting period.

*Performance-based Restricted Stock Units:* The Company has a performance-based RSU program under which RSUs representing the right to receive one share of the Company's common stock for each vested RSU are granted. RSUs vest upon the achievement by the Company of specific performance metrics. The Company records stock compensation expense for performance-based RSUs net of estimated forfeitures on a straight-line basis over the performance period, plus a subsequent vesting period, which typically totals approximately two and one-half years from the date of grant.

The activity related to the Company's incentive equity awards for the fiscal years ended June 30, 2019, 2018 and 2017 consisted of the following:

	Stock Options		Time-based RSUs		Performance-based RSUs	
	Number of Options	Weighted Average Exercise Price	Number of Shares	Weighted Average Grant-Date Fair Value	Number of Shares	Weighted Average Grant-Date Fair Value
<b>Balances at July 1, 2016</b>	7,059,067	\$ 32.57	1,202,896	\$ 44.34	468,516	\$ 47.15
Granted	568,465	67.15	531,301	64.38	225,731	64.52
Exercised (a)	(2,384,449)	25.44	—	—	—	—
Vesting of RSUs (b)	—	—	(586,617)	40.00	(171,082)	38.50
Expired/forfeited	(105,442)	36.13	(72,987)	53.74	(52,303)	50.38
<b>Balances at June 30, 2017</b>	5,137,641	\$ 39.63	1,074,593	\$ 55.98	470,862	\$ 58.26
Granted	1,079,442	93.42	456,217	78.86	198,485	76.71
Exercised (a)	(1,654,877)	31.09	—	—	—	—
Vesting of RSUs (b)	—	—	(463,561)	52.86	(150,068)	52.96
Expired/forfeited	(83,918)	42.89	(84,850)	60.18	(123,590)	43.00
<b>Balances at June 30, 2018</b>	4,478,288	\$ 55.69	982,399	\$ 67.72	395,689	\$ 74.29
Granted	528,978	98.72	360,147	121.11	133,213	116.53
Exercised (a)	(784,372)	39.94	—	—	—	—
Vesting of RSUs (b)	—	—	(430,270)	63.97	(198,420)	64.50
Expired/forfeited	(21,280)	94.14	(92,977)	76.57	(4,705)	80.57
<b>Balances at June 30, 2019 (c)</b>	<u>4,201,614</u>	<u>\$ 63.85</u>	<u>819,299</u>	<u>\$ 92.15</u>	<u>325,777</u>	<u>\$ 97.43</u>

- (a) Stock options exercised during the fiscal years ended June 30, 2019, 2018 and 2017 had intrinsic values of \$65.8 million, \$116.3 million and \$104.7 million, respectively.
- (b) Time-based RSUs that vested during the fiscal years ended June 30, 2019, 2018 and 2017 had a total fair value of \$45.4 million, \$50.6 million and \$39.8 million, respectively. Performance-based RSUs that vested during the fiscal years ended June 30, 2019, 2018 and 2017 had a total fair value of \$21.7 million, \$19.1 million and \$11.6 million, respectively.
- (c) As of June 30, 2019, the Company's outstanding stock options using the fiscal year-end share price of \$127.68 had an aggregate intrinsic value of \$268.2 million. As of June 30, 2019, the Company's outstanding "in the money" vested stock options using the fiscal year-end share price of \$127.68 had an aggregate intrinsic value of \$195.8 million. As of June 30, 2019, time-based RSUs and performance-based RSUs expected to vest using the fiscal year-end share price of \$127.68 (approximately 0.8 million and 0.3 million shares, respectively) had an aggregate intrinsic value of \$100.1 million and \$39.8 million, respectively. Performance-based RSUs granted in the table above represent initial target awards, and performance adjustments for (i) change in shares issued based upon attainment of performance goals determined in the period, and (ii) estimated change in shares issued resulting from attainment of performance goals to be determined at the end of the prospective performance period.

The tables below summarize information regarding the Company's outstanding and exercisable stock options as of June 30, 2019:

Outstanding Options				
Range of Exercise Prices	Options Outstanding	Weighted Average Remaining Contractual Term (in years)	Weighted Average Exercise Price Per Share	Aggregate Intrinsic Value (in millions) (a)
\$0.01 to \$35.00	607,688	2.90	\$ 23.08	
\$35.01 to \$50.00	580,519	4.51	\$ 37.56	
\$50.01 to \$65.00	952,544	6.09	\$ 52.40	
\$65.01 to \$80.00	488,967	7.54	\$ 67.32	
\$80.01 to \$95.00	1,044,179	8.52	\$ 93.40	
\$95.01 to \$110.00	527,717	9.59	\$ 98.72	
	<u>4,201,614</u>	6.62	\$ 63.85	\$ 268.2

Exercisable Options				
Range of Exercise Prices	Options Exercisable	Weighted Average Remaining Contractual Term (in years)	Weighted Average Exercise Price Per Share	Aggregate Intrinsic Value (in millions) (a)
\$0.01 to \$35.00	607,688	2.90	\$ 23.08	
\$35.01 to \$50.00	580,519	4.51	\$ 37.56	
\$50.01 to \$65.00	808,864	6.01	\$ 52.48	
\$65.01 to \$80.00	225,463	7.53	\$ 67.32	
\$80.01 to \$95.00	141,699	8.33	\$ 92.46	
\$95.01 to \$110.00	23,447	9.37	\$ 107.52	
	<u>2,387,680</u>	5.17	\$ 45.68	\$ 195.8

(a) Calculated using the closing stock price on the last trading day of fiscal year 2019 of \$127.68, less the option exercise price, multiplied by the number of instruments.

Stock-based compensation expense of \$58.4 million, \$55.1 million, and \$46.1 million was recognized in the Consolidated Statements of Earnings for the fiscal years ended June 30, 2019, 2018 and 2017, respectively, as well as related tax benefits of \$13.5 million, \$15.7 million, and \$15.9 million, respectively.

As of June 30, 2019, the total remaining unrecognized compensation cost related to non-vested stock options and RSU awards amounted to \$17.1 million and \$48.9 million, respectively, which will be amortized over the weighted-average remaining requisite service periods of 2.8 years and 1.6 years, respectively.

In April 2013, the Company began reissuing treasury stock to satisfy stock option exercises and issuances under the Company's RSU awards. From time to time, the Company may repurchase shares of its common stock under its authorized share repurchase programs. The Company repurchased 3.2 million shares in fiscal year 2019 under our share repurchase program as compared to 2.2 million shares repurchased in fiscal year 2018, which excludes shares withheld by the Company to cover payroll taxes on the vesting of RSU awards, which are also accounted for as treasury stock. The Company considers several factors in determining when to execute share repurchases, including, among other things, actual and potential acquisition activity, cash balances and cash flows, issuances due to employee benefit plan activity, and market conditions.

The following table presents the assumptions used to determine the fair values of the stock option grants using the Binomial options pricing model during the fiscal years ended June 30, 2019, 2018 and 2017:

	Fiscal Year Ended June 30, 2019	Fiscal Year Ended June 30, 2018	Fiscal Year Ended June 30, 2017
<b>Graded Vesting</b>			
Risk-free interest rate	2.5%	2.7%	2.1%
Dividend yield	2.0%	1.6%	2.0%
Weighted-average volatility factor	26.0%	23.8%	23.1%
Weighted-average expected life (in years)	5.9	6.5	6.5
Weighted-average fair value (in dollars)	\$ 22.12	\$ 22.16	\$ 13.74

	Fiscal Year Ended June 30, 2018
<b>Cliff Vesting</b>	
Risk-free interest rate	2.7%
Dividend yield	1.6%
Weighted-average volatility factor	23.8%
Weighted-average expected life (in years)	6.0
Weighted-average fair value (in dollars)	\$ 21.65

#### NOTE 14. EMPLOYEE BENEFIT PLANS

**A. Defined Contribution Savings Plans.** The Company sponsors a 401(k) savings plan covering eligible U.S. employees of the Company. This plan provides a base contribution plus Company matching contributions on a portion of employee contributions.

An Executive Retirement and Savings Plan (the “ERSP”) was adopted effective January 1, 2015 for those executives who are not participants in the Broadridge SORP or Broadridge SERP (defined below). The ERSP is a defined contribution plan that allows eligible full-time U.S. employees to defer compensation until a later date and the Company will match a portion of the deferred compensation above the qualified defined contribution compensation and deferral limitations.

The costs recorded by the Company for these plans were:

	Years ended June 30,		
	2019	2018	2017
	(in millions)		
401(k) savings plan	\$ 35.5	\$ 34.4	\$ 35.2
ERSP	2.3	1.9	1.8
Total	\$ 37.8	\$ 36.3	\$ 37.0

**B. Defined Benefit Pension Plans.** The Company sponsors a Supplemental Officer Retirement Plan (the “Broadridge SORP”). The Broadridge SORP is a defined benefit plan pursuant to which the Company will pay supplemental pension benefits to certain key officers upon retirement based upon the officers’ years of service and compensation. The Broadridge SORP is currently unfunded. The Broadridge SORP was closed to new participants beginning in fiscal year 2015.

The Company also sponsors a Supplemental Executive Retirement Plan (the “Broadridge SERP”). The Broadridge SERP is a defined benefit plan pursuant to which the Company will pay supplemental pension benefits to certain key executives upon retirement based upon the executives’ years of service and compensation. The Broadridge SERP is currently unfunded. The Broadridge SERP was closed to new participants beginning in fiscal year 2015.

The amounts charged to expense by the Company for these plans were:

	Years ended June 30,		
	2019	2018	2017
	(in millions)		
SORP	\$ 3.9	\$ 4.3	\$ 3.6
SERP	0.5	0.6	0.7
Total	<u>\$ 4.4</u>	<u>\$ 4.9</u>	<u>\$ 4.3</u>

The benefit obligation to the Company under these plans at June 30, 2019, 2018 and 2017 was:

	Years ended June 30,		
	2019	2018	2017
	(in millions)		
SORP	\$ 45.5	\$ 38.3	\$ 35.4
SERP	5.4	4.5	4.3
Total	<u>\$ 50.8</u>	<u>\$ 42.8</u>	<u>\$ 39.7</u>

**C. Other Post-retirement Benefit Plan.** The Company sponsors an Executive Retiree Health Insurance Plan. It is a post-retirement benefit plan pursuant to which the Company helps defray the health care costs of certain eligible key executive retirees and qualifying dependents, based upon the retirees' age and years of service, until they reach the age of 65. The plan is currently unfunded.

The amounts charged to expense by the Company for this plan were:

	Years ended June 30,		
	2019	2018	2017
	(in millions)		
Executive Retiree Health Insurance Plan	\$ 0.5	\$ 0.4	\$ 0.3

The benefit obligation to the Company under this plan at June 30, 2019, 2018 and 2017 was:

	Years ended June 30,		
	2019	2018	2017
	(in millions)		
Executive Retiree Health Insurance Plan	\$ 5.2	\$ 5.3	\$ 4.9

**D. Other Post-employment Benefit Obligations.** The Company sponsors a post-employment plan (the "Gratuity Plan") covering all employees in India who are eligible under the terms of their employment. The Gratuity Plan is required by local law and provides a lump sum payment to vested employees upon retirement, death, incapacitation, or termination of employment based on the respective employee's salary and the tenure of employment. The Gratuity Plan is currently unfunded.

The amounts charged to expense by the Company for this plan were:

	Years ended June 30,		
	2019	2018	2017
	(in millions)		
The Gratuity Plan	\$ 1.3	\$ 1.0	\$ 1.3

The benefit obligation to the Company under this plan at June 30, 2019, 2018 and 2017 was:

	Years ended June 30,		
	2019	2018	2017
	(in millions)		
The Gratuity Plan	\$ 5.8	\$ 5.0	\$ 4.1

**NOTE 15. INCOME TAXES**

Earnings before income taxes shown below are based on the geographic location to which such earnings are attributable.

	Years Ended June 30,		
	2019	2018	2017
	(in millions)		
Earnings before income taxes:			
U.S.	\$ 526.4	\$ 450.0	\$ 398.6
Foreign	80.8	111.1	89.5
Total	<u>\$ 607.3</u>	<u>\$ 561.0</u>	<u>\$ 488.1</u>

The Provision for income taxes consists of the following components:

	Years Ended June 30,		
	2019	2018	2017
	(in millions)		
Current:			
U.S. Domestic	\$ 88.8	\$ 89.4	\$ 138.2
Foreign	24.7	43.4	24.8
State	15.1	9.6	13.0
Total current	<u>128.7</u>	<u>142.4</u>	<u>176.0</u>
Deferred:			
U.S. Domestic	2.2	(13.6)	(7.9)
Foreign	(2.8)	4.9	(4.2)
State	(2.9)	(0.6)	(2.5)
Total deferred	<u>(3.5)</u>	<u>(9.3)</u>	<u>(14.7)</u>
Total Provision for income taxes	<u>\$ 125.2</u>	<u>\$ 133.1</u>	<u>\$ 161.4</u>

	Years Ended June 30,					
	2019	%	2018	%	2017	%
	(in millions)					
Provision for income taxes at U.S. statutory rate	\$ 127.5	21.0	\$ 157.4	28.1	\$ 170.8	35.0
Increase (decrease) in Provision for income taxes from:						
State taxes, net of federal tax	12.0	2.0	9.4	1.7	6.7	1.4
Foreign tax differential	3.8	0.6	(2.4)	(0.4)	(6.9)	(1.4)
Valuation allowances	0.4	0.1	(5.0)	(0.9)	(0.6)	(0.1)
Non-taxable investment gain	—	—	—	—	(3.3)	(0.7)
Stock-based compensation - ETB	(19.3)	(3.2)	(40.9)	(7.3)	—	—
Tax Act Items	(0.5)	(0.1)	15.4	2.7	—	—
Other	1.3	0.2	(0.8)	(0.1)	(5.3)	(1.1)
Total Provision for income taxes	<u>\$ 125.2</u>	<u>20.6</u>	<u>\$ 133.1</u>	<u>23.7</u>	<u>\$ 161.4</u>	<u>33.1</u>

The Provision for income taxes and effective tax rates for the fiscal year ended June 30, 2019 were \$125.2 million and 20.6%, compared to \$133.1 million and 23.7%, for the fiscal year ended June 30, 2018, respectively. The decrease in the effective tax rate for the fiscal year ended June 30, 2019 compared to the fiscal year ended June 30, 2018 is primarily due to a reduced statutory U.S. federal tax rate as well as a prior period net tax charge relating to the enactment of the Tax Act, partially offset by the recognition of lower ETB attributable to stock-based compensation compared to the ETB recognized in fiscal year ended June 30, 2018. In the fiscal year ending June 30, 2019, the Company's federal corporate statutory income tax rate was 21.0% compared to a blended tax rate of 28.1% for the prior fiscal year. In addition, notwithstanding the reduction in the federal corporate statutory income tax rate for the fiscal year ended June 30, 2018, the Tax Act required the Company to accrue a transition tax on earnings of certain foreign subsidiaries at December 31, 2017, and which in turn led to the accrual of applicable foreign withholding taxes to repatriate such earnings subject to the transition tax. At June 30, 2018 the Company estimated the transition tax and applicable foreign withholding taxes to be approximately \$30.8 million, partially offset by a benefit of approximately \$15.3 million relating to the remeasurement of the Company's net deferred tax liabilities. The SEC issued Staff Accounting Bulletin No. 118 ("SAB 118") which provided the Company with up to one year to finalize accounting for the impacts of the Tax Act. Under SAB 118, the Company finalized the prior year estimate of the transition tax and applicable withholding taxes and recognized a tax benefit of approximately \$0.5 million in the fiscal year ended June 30, 2019. In addition to the lower corporate tax rate, the Tax Act introduced two new federal tax provisions relating to foreign source earnings, (i) a minimum tax on global intangible low-tax income ("GILTI") and (ii) a deduction for foreign-derived intangible income ("FDII"). Both provisions were effective beginning with the fiscal year ended June 30, 2019, and on a net basis generated a tax benefit of approximately \$1.8 million.

The Provision for income taxes and effective tax rates for the fiscal year ended June 30, 2018 were \$133.1 million and 23.7%, compared to \$161.4 million and 33.1%, for the fiscal year ended June 30, 2017, respectively. The effective tax for the fiscal year ended June 30, 2018 was impacted by the recognition of a \$40.9 million of ETB attributable to stock-based compensation as well as a reduced U.S. federal tax rate, partially offset by \$15.4 million of net tax charges relating to the December 22, 2017 enactment of the Tax Act.

As of June 30, 2019, the Company had approximately \$496.8 million of accumulated earnings and profits attributable to foreign subsidiaries. The Company considers \$221.7 million of accumulated earnings attributable to foreign subsidiaries to be permanently reinvested outside the U.S. and has not determined the cost to repatriate such earnings since it is not practicable to calculate the amount of income taxes payable in the event all such foreign earnings are repatriated. The Company does not consider the remaining \$275.1 million of accumulated earnings to be permanently reinvested outside the U.S. Under SAB 118, the Company has provisionally accrued approximately \$11.6 million of foreign withholding taxes and \$0.6 million of state income taxes attributable to such earnings.



Deferred income taxes reflect the net tax effects of temporary differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when such differences are expected to reverse. Significant components of the Company's deferred tax assets and liabilities at June 30, 2019 and 2018 were as follows:

	June 30,	
	2019	2018
	(in millions)	
Classification:		
Long-term deferred tax assets (included in Other non-current assets)	5.5	9.2
Long-term deferred tax liabilities	(86.7)	(57.9)
Net deferred tax liabilities	<u>\$ (81.3)</u>	<u>\$ (48.8)</u>
Components:		
Deferred tax assets:		
Accrued expenses not currently deductible	\$ 3.2	\$ 3.5
Depreciation	—	2.2
Compensation and benefits not currently deductible	57.6	51.7
Net operating and capital losses	11.1	12.1
Tax credits	7.5	5.2
Other	6.1	6.6
Total deferred tax assets	<u>85.6</u>	<u>81.3</u>
Less: Valuation allowances	<u>(3.3)</u>	<u>(3.8)</u>
Deferred tax assets, net	<u>82.2</u>	<u>77.6</u>
Deferred tax liabilities:		
Goodwill and identifiable intangibles	100.9	93.4
Depreciation	10.1	—
Net deferred expenses	33.6	15.5
Unremitted earnings	12.2	11.1
Other	6.8	6.2
Deferred tax liabilities	<u>163.5</u>	<u>126.3</u>
Net deferred tax liabilities	<u>\$ (81.3)</u>	<u>\$ (48.8)</u>

The Company has estimated foreign net operating loss carryforwards of approximately \$9.5 million as of June 30, 2019 of which \$1.5 million expires in 2020 through 2028 and of which \$8.0 million has an indefinite utilization period. In addition, the Company has estimated U.S. federal net operating loss carryforwards of approximately \$18.6 million, which expire in 2019 through 2030.

Valuation allowances are recognized to reduce deferred tax assets when it is more likely than not that the Company will not be able to utilize the deferred tax assets attributable to net operating and capital loss carryforwards of certain subsidiaries to offset future taxable earnings. The Company has recorded valuation allowances of \$3.3 million and \$3.8 million at June 30, 2019 and 2018, respectively. The determination as to whether a deferred tax asset will be recognized is made on a jurisdictional basis and is based on the evaluation of historical taxable income or loss, projected future taxable income, carryforward periods, scheduled reversals of deferred tax liabilities and tax planning strategies. Projected future taxable income is based on expected results and assumptions as to the jurisdiction in which the income will be earned. The assumptions used to project future taxable income require significant judgment and are consistent with the plans and estimates used to manage the underlying businesses.

In the next twelve months, the Company does not expect a material change to its net reserve balance for unrecognized tax benefits.

The following table summarizes the activity related to the Company's gross unrecognized tax positions:

	Fiscal Year Ended June 30,		
	2019	2018	2017
	(in millions)		
Beginning balance	\$ 22.8	\$ 18.7	\$ 18.2
Gross increase related to prior period tax positions	17.3	3.5	0.6
Gross increase related to current period tax positions	2.8	3.0	2.7
Gross decrease related to prior period tax positions	(2.6)	(2.4)	(2.8)
Ending balance	\$ 40.2	\$ 22.8	\$ 18.7

As of June 30, 2019, 2018 and 2017, the net reserve for unrecognized tax positions recorded by the Company that is included in the preceding table of gross unrecognized tax positions was \$33.4 million, \$19.4 million, and \$13.4 million respectively, and if reversed in full, would favorably affect the effective tax rate by these amounts, respectively.

The \$2.6 million, \$2.4 million and \$2.8 million gross decreases in fiscal years 2019, 2018 and 2017, respectively, for prior period tax positions related to certain tax audit settlements and certain state, federal and foreign statute of limitation expirations.

During the fiscal year ended June 30, 2019, the Company adjusted accrued interest by approximately \$(0.1) million and recognized a total liability for interest on unrecognized tax positions of \$3.6 million; in the fiscal year ended June 30, 2018, the Company adjusted accrued interest by approximately \$0.5 million and recognized a total liability of \$3.7 million for interest on unrecognized tax positions; in the fiscal year ended June 30, 2017 the Company adjusted accrued interest by approximately \$(0.2) million and recognized a total liability of \$3.2 million for interest on unrecognized tax positions.

The Company is regularly subject to examination of its income tax returns by U.S. Federal, state and foreign income tax authorities. The tax years that are currently open and could be subject to income tax audits for U.S. federal and most state and local jurisdictions are fiscal years ending June 30, 2013 through June 30, 2019, and for Canadian operations that could be subject to audit in Canada, fiscal years ending June 30, 2014 through June 30, 2019. A change in the assessment of the outcomes of such matters could materially impact our Consolidated Financial Statements.

#### NOTE 16. CONTRACTUAL COMMITMENTS, CONTINGENCIES, AND OFF-BALANCE SHEET ARRANGEMENTS

##### Data Center Agreements

In March 2010, the Company and International Business Machines Corporation ("IBM") entered into an Information Technology Services Agreement (the "IT Services Agreement"), under which IBM provides certain aspects of the Company's information technology infrastructure. Under the IT Services Agreement, IBM provides a broad range of technology services to the Company including supporting its mainframe, midrange, open systems, network and data center operations, as well as providing disaster recovery services. The Company has the option of incorporating additional services into the agreement over time. The migration of the data center processing to IBM was completed in August 2012. The IT Services Agreement would have expired on June 30, 2022. In March 2015, the Company signed a two-year extension to the IT Services Agreement which expires on June 30, 2024. The Company has the right to renew the term of the IT Services Agreement for up to one additional 12-month term. Commitments remaining under this agreement at June 30, 2019 are \$290.8 million through fiscal year 2024, the final year of the contract.

In March 2014, the Company and IBM United Kingdom Limited ("IBM UK") entered into an Information Technology Services Agreement (the "EU IT Services Agreement"), under which IBM UK provides data center services supporting the Company's technology outsourcing services for certain clients in Europe and Asia. The EU IT Services Agreement expires in October 2023. The Company has the right to renew the initial term of the EU IT Services Agreement for up to one additional 12-month term or one additional 24-month term. Commitments remaining under this agreement at June 30, 2019 are \$20.4 million through fiscal year 2024, the final year of the contract.

The following table summarizes the respective total annual expenses related to these agreements:

	Years ended June 30,		
	2019	2018	2017
	(in millions)		
IT Services Agreement	\$ 100.0	\$ 101.2	\$ 99.3
EU IT Services Agreement	6.1	6.3	5.5
Total expenses	<u>\$ 106.1</u>	<u>\$ 107.5</u>	<u>\$ 104.8</u>

The following table summarizes the capitalized costs related to these agreements as of June 30, 2019:

	IT Services Agreement	EU IT Services Agreement	Total
	(in millions)		
Capitalized costs, beginning balance	\$ 62.3	\$ 5.2	\$ 67.5
Capitalized costs incurred	—	—	—
Impact of foreign currency exchange	—	(0.2)	(0.2)
Total capitalized costs, ending balance	62.3	5.0	67.3
Total accumulated amortization	(35.8)	(2.5)	(38.3)
Net Deferred IBM Costs	<u>\$ 26.5</u>	<u>\$ 2.5</u>	<u>\$ 29.0</u>

The following table summarizes the respective total annual amortization expense of capitalized costs related to these agreements:

	Years ended June 30,		
	2019	2018	2017
	(in millions)		
IT Services Agreement	\$ 5.3	\$ 5.3	\$ 4.6
EU IT Services Agreement	0.5	0.5	0.4
Total expenses	<u>\$ 5.8</u>	<u>\$ 5.8</u>	<u>\$ 5.0</u>

## **Investments**

The Company contributed \$3.5 million and \$5.3 million to an equity method investment during the fiscal years ended June 30, 2019 and 2018, respectively, and has a remaining commitment of \$1.5 million to fund this investment at June 30, 2019. At June 30, 2019, the Company also has a future commitment to fund \$4.3 million to one of the Company's investees.

## **Contractual Obligations**

The Company has obligations under the IT Services Agreement, the EU IT Services Agreement, and related software maintenance agreements, various facilities and equipment leases, software license agreements, and software/hardware maintenance agreements.

The following table summarizes the total expenses related to these agreements:

	Years ended June 30,		
	2019	2018	2017
	(in millions)		
Data center expenses	\$ 106.1	\$ 107.5	\$ 104.8
Facilities and equipment leases	49.0	50.4	50.3
Software license agreements	37.3	33.7	32.0
Software/hardware maintenance agreements	65.0	63.5	63.2
Total expenses	<u>\$ 257.4</u>	<u>\$ 255.0</u>	<u>\$ 250.3</u>

The minimum commitments under these obligations at June 30, 2019 are as follows, which includes the aforementioned IT Services Agreement and EU IT Services Agreement:

<u>Years Ending June 30,</u>	<u>(in millions)</u>
2020	\$ 117.6
2021	111.1
2022	102.5
2023	96.4
2024	91.4
Thereafter	204.4
Total	<u>\$ 723.5</u>

In addition to fixed rentals, certain leases require payment of maintenance and real estate taxes and contain escalation provisions based on future adjustments in price indices.

#### **Other**

In the normal course of business, the Company is subject to various claims and litigation. While the outcome of any claim or litigation is inherently unpredictable, the Company believes that the ultimate resolution of these matters will not, individually or in the aggregate, result in a material impact on its financial condition, results of operations or cash flows.

It is not the Company's business practice to enter into off-balance sheet arrangements. However, the Company is exposed to market risk from changes in foreign currency exchange rates that could impact its financial position, results of operations, and cash flows. The Company manages its exposure to these market risks through its regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. The Company may use derivative financial instruments as risk management tools and not for trading purposes. The Company was not a party to any derivative financial instruments as of June 30, 2019 and 2018.

In the normal course of business, the Company also enters into contracts in which it makes representations and warranties that relate to the performance of the Company's products and services. The Company does not expect any material losses related to such representations and warranties, or collateral arrangements.

The Company's business process outsourcing and mutual fund processing services are performed by Broadridge Business Process Outsourcing, LLC ("BBPO"), an indirect wholly-owned subsidiary, which is a broker-dealer registered with the Securities and Exchange Commission and a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"). Although BBPO's FINRA membership agreement allows it to engage in clearing and the retailing of corporate securities in addition to mutual fund retailing on a wire order basis, BBPO does not clear customer transactions, process any retail business or carry customer accounts. As a registered broker-dealer and member of FINRA, BBPO is subject to the Uniform Net Capital Rule 15c3-1 of the Securities Exchange Act of 1934, as amended, which requires BBPO to maintain a minimum net capital amount. At June 30, 2019, BBPO was in compliance with this capital requirement.

BBPO, as a "Managing Clearing Member" of the Options Clearing Corporation (the "OCC"), is also subject to OCC Rule 309(b) with respect to the business process outsourcing services that it provides to other OCC "Managed Clearing Member" broker-dealers. OCC Rule 309(b) requires BBPO to maintain a minimum net capital amount. At June 30, 2019, BBPO was in compliance with this capital requirement.

In addition, Matrix Trust Company, a subsidiary of the Company, is a Colorado State non-depository trust company and National Securities Clearing Corporation trust member, whose primary business is to provide cash agent, custodial and directed trustee services to institutional customers, and investment management services to collective trust funds. As a result, Matrix Trust Company is subject to various regulatory capital requirements administered by the Colorado Division of Banking and the Arizona Department of Financial Institutions, as well as the National Securities Clearing Corporation. Specific capital requirements that involve quantitative measures of assets, liabilities, and certain off-balance sheet items, when applicable, must be met. At June 30, 2019, Matrix Trust Company was in compliance with its capital requirements.

**NOTE 17. CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME/(LOSS) BY COMPONENT**

The following tables summarize the changes in the accumulated balances for each component of accumulated other comprehensive income/(loss):

	Foreign Currency Translation	Securities	Pension and Post- Retirement Liabilities	Total
	(in millions)			
Balances at July 1, 2016	\$ (31.9)	\$ 1.3	\$ (7.6)	\$ (38.2)
Other comprehensive income/(loss) before reclassifications	(17.0)	1.0	(2.2)	(18.2)
Amounts reclassified from accumulated other comprehensive income/(loss)	—	—	0.6	0.6
Balances at June 30, 2017	\$ (48.9)	\$ 2.3	\$ (9.2)	\$ (55.8)
Other comprehensive income/(loss) before reclassifications	5.7	1.1	(0.1)	6.7
Amounts reclassified from accumulated other comprehensive income/(loss)	—	(3.7)	1.0	(2.7)
Balances at June 30, 2018	\$ (43.2)	\$ (0.4)	\$ (8.3)	\$ (51.9)
Cumulative effect of changes in accounting principle (a)	—	0.4	(1.9)	(1.5)
Other comprehensive income/(loss) before reclassifications	(15.0)	—	(3.6)	(18.7)
Amounts reclassified from accumulated other comprehensive income/(loss)	—	—	0.9	0.9
Balances at June 30, 2019	\$ (58.3)	\$ —	\$ (12.9)	\$ (71.2)

(a) Reflects the adoption of accounting standards as described in Note 2, “Summary of Significant Accounting Policies.”

**NOTE 18. FINANCIAL DATA BY SEGMENT**

The Company operates in two reportable segments: Investor Communication Solutions and Global Technology and Operations. See Note 1, “Basis of Presentation” for a further description of the Company’s reportable segments.

The primary components of “Other” are certain gains, losses, corporate overhead expenses and non-operating expenses that have not been allocated to the reportable segments, such as interest expense. Foreign currency exchange is a reconciling item between the actual foreign currency exchange rates and the constant foreign currency exchange rates used for internal management reporting.

Certain corporate expenses, as well as certain centrally managed expenses, are allocated based upon budgeted amounts in a reasonable manner. Because the Company compensates the management of its various businesses on, among other factors, segment profit, the Company may elect to record certain segment-related operating and non-operating expense items in Other rather than reflect such items in segment profit.

In connection with an organizational change made in the second quarter of fiscal year 2018, in order to further align and enhance our portfolio of services, certain discrete services that were previously reported in our Investor Communication Solutions reportable segment are now reported within the Global Technology and Operations reportable segment. As a result, our prior period segment results have been revised to reflect this change in reporting segments.

	Investor Communication Solutions	Global Technology and Operations	Other	Foreign Currency Exchange	Total
(in millions)					
Year ended June 30, 2019					
Revenues	\$ 3,511.1	\$ 953.5	\$ —	\$ (102.4)	\$ 4,362.2
Earnings (loss) before income taxes	508.4	210.3	(130.9)	19.4	607.3
Assets	2,169.5	1,409.6	301.6	—	3,880.7
Capital expenditures	34.9	6.1	9.6	—	50.6
Depreciation and amortization	54.9	11.3	19.0	—	85.2
Amortization of acquired intangibles	73.5	13.4	0.5	—	87.4
Amortization of other assets	37.1	45.0	5.3	—	87.4
Year ended June 30, 2018					
Revenues	\$ 3,495.6	\$ 911.6	\$ —	\$ (77.3)	\$ 4,329.9
Earnings (loss) before income taxes	494.6	199.3	(151.4)	18.6	561.0
Assets	2,089.0	908.3	307.4	—	3,304.7
Capital expenditures	39.2	28.6	8.8	—	76.7
Depreciation and amortization	52.2	10.8	19.1	—	82.1
Amortization of acquired intangibles	67.8	13.6	—	—	81.4
Amortization of other assets	12.6	30.6	5.3	—	48.5
Year ended June 30, 2017					
Revenues	\$ 3,398.6	\$ 825.5	\$ —	\$ (81.5)	\$ 4,142.6
Earnings (loss) before income taxes	428.2	162.5	(110.5)	8.1	488.1
Assets	1,931.2	886.2	332.4	—	3,149.8
Capital expenditures	33.7	11.1	40.5	—	85.4
Depreciation and amortization	47.5	9.9	11.1	—	68.6
Amortization of acquired intangibles	60.8	11.8	—	—	72.6
Amortization of other assets	12.4	23.9	4.6	—	41.0

Revenues and assets by geographic area are as follows:

	United States	Canada	United Kingdom	Other	Total
(in millions)					
Year ended June 30, 2019					
Revenues	\$ 3,913.8	\$ 279.5	\$ 127.5	\$ 41.4	\$ 4,362.2
Assets	\$ 2,870.2	\$ 504.8	\$ 277.0	\$ 228.7	\$ 3,880.7
Year ended June 30, 2018					
Revenues	\$ 3,907.2	\$ 273.6	\$ 118.7	\$ 30.4	\$ 4,329.9
Assets	\$ 2,661.9	\$ 216.7	\$ 257.8	\$ 168.3	\$ 3,304.7
Year ended June 30, 2017					
Revenues	\$ 3,771.9	\$ 251.4	\$ 92.1	\$ 27.3	\$ 4,142.6
Assets	\$ 2,579.1	\$ 237.9	\$ 238.1	\$ 94.7	\$ 3,149.8

**NOTE 19. QUARTERLY FINANCIAL RESULTS (UNAUDITED)**

Summarized quarterly results of operations for the fiscal years ended June 30, 2019 and 2018 are as follows:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Fiscal Year Total
(in millions, except per share amounts)					
<b>Year ended June 30, 2019</b>					
Revenues	\$ 972.8	\$ 953.4	\$ 1,224.8	\$ 1,211.2	\$ 4,362.2
Gross profit	233.8	219.4	377.5	399.6	1,230.2
Operating income	100.1	78.2	233.6	240.8	652.7
Earnings before income taxes	89.3	64.3	223.6	230.0	607.3
Net earnings	76.7	49.9	172.2	183.2	482.1
Basic EPS	\$ 0.66	\$ 0.43	\$ 1.49	\$ 1.59	\$ 4.16
Diluted EPS	\$ 0.64	\$ 0.42	\$ 1.45	\$ 1.55	\$ 4.06
<b>Year ended June 30, 2018</b>					
Revenues	\$ 924.8	\$ 1,012.8	\$ 1,071.9	\$ 1,320.4	\$ 4,329.9
Gross profit	198.8	243.5	269.3	450.9	1,162.5
Operating income	85.2	115.9	130.8	266.2	598.1
Earnings before income taxes	74.3	103.5	125.2	258.0	561.0
Net earnings	49.9	62.1	109.1	206.9	427.9
Basic EPS	\$ 0.43	\$ 0.53	\$ 0.93	\$ 1.76	\$ 3.66
Diluted EPS	\$ 0.42	\$ 0.52	\$ 0.90	\$ 1.72	\$ 3.56

**NOTE 20. SUBSEQUENT EVENTS**

On July 31, 2019, the Company's Board of Directors increased the Company's quarterly cash dividend by \$0.055 per share to \$0.540 per share, an increase in the expected annual dividend amount from \$1.94 to \$2.16 per share. The declaration and payment of future dividends to holders of the Company's common stock will be at the discretion of the Company's Board of Directors, and will depend upon many factors, including the Company's financial condition, earnings, capital requirements of its businesses, legal requirements, regulatory constraints, industry practice, and other factors that the Board of Directors deems relevant.

\* \* \* \* \*

**Broadridge Financial Solutions, Inc.**  
**Schedule II—Valuation and Qualifying Accounts**  
(\$ in millions)

Column A	Column B		Column C		Column D		Column E
	Balance at beginning of period		Additions charged to costs and expenses		Deductions		Balance at end of period
Fiscal year ended June 30, 2019:							
Allowance for doubtful accounts	\$	2.7	\$	1.1	\$	(1.2)	\$ 2.6
Deferred tax valuation allowance	\$	3.8	\$	—	\$	(0.4)	\$ 3.3
Fiscal year ended June 30, 2018:							
Allowance for doubtful accounts	\$	3.7	\$	1.4	\$	(2.4)	\$ 2.7
Deferred tax valuation allowance	\$	9.3	\$	—	\$	(5.5)	\$ 3.8
Fiscal year ended June 30, 2017:							
Allowance for doubtful accounts	\$	2.3	\$	2.3	\$	(0.9)	\$ 3.7
Deferred tax valuation allowance	\$	9.8	\$	—	\$	(0.5)	\$ 9.3



## ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

## ITEM 9A. Controls and Procedures

### Management Report

Attached as Exhibits 31.1 and 31.2 to this Form 10-K are certifications of Broadridge's President and Chief Executive Officer, and Chief Financial Officer, which are required by Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). This "Controls and Procedures" section should be read in conjunction with the Deloitte & Touche LLP audit and attestation of the Company's internal control over financial reporting that appears in Item 8 "Financial Statements and Supplementary Data" in this Annual Report on Form 10-K and is hereby incorporated herein by reference.

### Management's Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our President and Chief Executive Officer, and Chief Financial Officer as of June 30, 2019, evaluated the effectiveness of our disclosure controls as defined in Rule 13a-15(e) under the Exchange Act. The President and Chief Executive Officer, and Chief Financial Officer concluded that our disclosure controls and procedures as of June 30, 2019 were effective to ensure that the information required to be disclosed by us in reports filed under the Exchange Act is (i) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our President and Chief Executive Officer, and Chief Financial Officer, as appropriate, to allow timely decisions regarding disclosure.

### Management's Report on Internal Control over Financial Reporting

It is the responsibility of Broadridge's management to establish and maintain effective internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Internal control over financial reporting is designed to provide reasonable assurance to Broadridge's management and board of directors regarding the preparation of reliable financial statements for external purposes in accordance with generally accepted accounting principles.

Broadridge's internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Broadridge; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of Broadridge are being made only in accordance with authorizations of management and directors of Broadridge; and (iii) provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use or disposition of Broadridge's assets that could have a material effect on the financial statements of Broadridge.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management has performed an assessment of the effectiveness of Broadridge's internal control over financial reporting as of June 30, 2019 based upon criteria set forth in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management determined that Broadridge's internal control over financial reporting was effective as of June 30, 2019.

Deloitte & Touche LLP, the Company's independent registered public accounting firm, has audited the effectiveness of the Company's internal control over financial reporting and has expressed an unqualified opinion in their report on the effectiveness of the Company's internal control over financial reporting, which appears in Item 8 "Financial Statements and Supplementary Data" in this Annual Report on Form 10-K.

/s/ TIMOTHY C. GOKEY

Timothy C. Gokey

President and Chief Executive Officer

/s/ JAMES M. YOUNG

James M. Young

Vice President, Chief Financial Officer

Lake Success, New York  
August 6, 2019

**Changes in Internal Control over Financial Reporting**

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the fiscal quarter ended June 30, 2019 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**ITEM 9B. Other Information**

**None.**

### **PART III.**

#### **ITEM 10. Directors, Executive Officers and Corporate Governance**

We incorporate by reference the information responsive to this Item appearing in our definitive proxy statement to be filed within 120 days after the fiscal year ended June 30, 2019 (the “Proxy Statement”).

#### **ITEM 11. Executive Compensation**

We incorporate by reference the information responsive to this Item appearing in our Proxy Statement.

#### **ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

We incorporate by reference the information responsive to this Item appearing in our Proxy Statement.

#### **ITEM 13. Certain Relationships and Related Transactions, and Director Independence**

We incorporate by reference the information responsive to this Item appearing in our Proxy Statement.

#### **ITEM 14. Principal Accounting Fees and Services**

We incorporate by reference the information responsive to this Item appearing in our Proxy Statement.

## **PART IV.**

### **ITEM 15. Exhibits, Financial Statement Schedules**

(a) The following documents are filed as part of this Annual Report on Form 10-K:

1. Financial Statements

The Consolidated Financial Statements are listed under Item 8 of this Annual Report on Form 10-K. See Index to Financial Statements and Financial Statement Schedule.

2. Financial Statement Schedule.

Schedule II—Valuation and Qualifying Accounts is listed under Item 8 of this Annual Report on Form 10-K. See Index to Financial Statements and Financial Statement Schedule.

3. Exhibits.

The Exhibits filed as part of this Annual Report on Form 10-K are listed on the Exhibit Index, which Exhibit Index is incorporated by reference in this Annual Report on Form 10-K.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 6, 2019

### BROADRIDGE FINANCIAL SOLUTIONS, INC.

By:	/s/ TIMOTHY C. GOKEY
Name:	_____ Timothy C. Gokey
Title:	President and Chief Executive Officer

## SIGNATURES AND POWERS OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Timothy C. Gokey and James M. Young, and each of them, the true and lawful attorneys-in-fact and agents of the undersigned, with full power of substitution and resubstitution, for and in the name, place and stead of the undersigned, to sign in any and all capacities (including, without limitation, the capacities listed below), any and all amendments to the Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, and hereby grants to such attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and anything necessary to be done to comply with the provisions of the Securities Exchange Act of 1934, as amended, and all the requirements of the Securities and Exchange Commission, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his or her substitute, or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ TIMOTHY C. GOKEY</u> Timothy C. Gokey	President, Chief Executive Officer and Director (Principal Executive Officer)	August 6, 2019
<u>/s/ JAMES M. YOUNG</u> James M. Young	Vice President, Chief Financial Officer (Principal Financial and Accounting Officer)	August 6, 2019
<u>/s/ RICHARD J. DALY</u> Richard J. Daly	Executive Chairman of the Board of Directors	August 6, 2019
<u>/s/ LESLIE A. BRUN</u> Leslie A. Brun	Lead Independent Director	August 6, 2019
<u>/s/ PAMELA L. CARTER</u> Pamela L. Carter	Director	August 6, 2019
<u>/s/ ROBERT N. DUELKS</u> Robert N. Duelks	Director	August 6, 2019
<u>/s/ BRETT A. KELLER</u> Brett A. Keller	Director	August 6, 2019
<u>/s/ STUART R. LEVINE</u> Stuart R. Levine	Director	August 6, 2019
<u>/s/ MAURA A. MARKUS</u> Maura A. Markus	Director	August 6, 2019
<u>/s/ THOMAS J. PERNA</u> Thomas J. Perna	Director	August 6, 2019
<u>/s/ ALAN J. WEBER</u> Alan J. Weber	Director	August 6, 2019
<u>/s/ AMIT ZAVERY</u> Amit Zavery	Director	August 6, 2019

## EXHIBIT INDEX

<b>Exhibit Number</b>	<b>Description of Exhibit (1)</b>
<a href="#"><u>3.1</u></a>	Certificate of Incorporation of Broadridge Financial Solutions, Inc. (incorporated by reference to Exhibit 3.1 to Form 8-K filed on April 2, 2007).
<a href="#"><u>3.2</u></a>	<a href="#"><u>Amended and Restated By-laws of Broadridge Financial Solutions, Inc. amended as of August 6, 2019 (incorporated by reference to Exhibit 3.2 to Form 8-K filed on August 6, 2019).</u></a>
<a href="#"><u>4.1</u></a>	Indenture, dated as of May 29, 2007, by and between Broadridge Financial Solutions, Inc. and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to Form 8-K filed on May 30, 2007).
<a href="#"><u>4.2</u></a>	Second Supplemental Indenture dated as of August 21, 2013, by and between Broadridge Financial Solutions, Inc. and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.2 to Form 8-K filed on August 21, 2013).
<a href="#"><u>4.3</u></a>	Form of Broadridge Financial Solutions, Inc. 3.950% Senior Note due 2020 (included in Exhibit 4.2 to Form 8-K filed on August 21, 2013 and incorporated by reference).
<a href="#"><u>4.4</u></a>	Third Supplemental Indenture dated June 27, 2016 by and among Broadridge Financial Solutions, Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.2 to Form 8-K filed on June 27, 2016).
<a href="#"><u>4.5</u></a>	Form of Broadridge Financial Solutions, Inc. 3.400% Senior Note due 2026 (incorporated by reference to Exhibit 4.2 to Form 8-K filed on June 27, 2016).
<a href="#"><u>4.6</u></a>	<a href="#"><u>Description of Securities.</u></a>
<a href="#"><u>10.1</u></a>	Broadridge Financial Solutions, Inc. Change in Control Severance Plan for Corporate Officers (incorporated by reference to Exhibit 10.6 to Form 8-K filed on April 2, 2007).
<a href="#"><u>10.2</u></a>	Amendment No. 1 to the Broadridge Financial Solutions, Inc. Change in Control Severance Plan for Corporate Officers (incorporated by reference to Exhibit 10.26 to Form 10-K/A filed on October 27, 2010).
<a href="#"><u>10.3</u></a>	Change in Control Enhancement Agreement for Richard J. Daly (incorporated by reference to Exhibit 10.8 to Form 8-K filed on April 2, 2007).
<a href="#"><u>10.4</u></a>	Amendment No. 1 to Change in Control Enhancement Agreement for Richard J. Daly (incorporated by reference to Exhibit 10.28 to Form 10-K/A filed on October 27, 2010).
<a href="#"><u>10.5</u></a>	Amendment No. 2, dated September 19, 2013, to the Change in Control Enhancement Agreement, dated as of March 29, 2007 and amended effective December 31, 2008, between Broadridge Financial Solutions, Inc. and Richard J. Daly (incorporated by reference to Exhibit 10.1 to Form 8-K filed on September 20, 2013).
<a href="#"><u>10.6</u></a>	Officer Severance Plan dated September 16, 2011 (incorporated by reference to Exhibit 10.1 to Form 8-K filed on September 20, 2011).
<a href="#"><u>10.7</u></a>	Amended and Restated Supplemental Officers Retirement Plan (“SORP”) (incorporated by reference to Exhibit 10.27 to Form 10-K/A filed on October 27, 2010).
<a href="#"><u>10.8</u></a>	Amendment to the Broadridge Financial Solutions, Inc. SORP, effective February 2, 2017 (incorporated by reference to Exhibit 10.3 to Form 10-Q filed on May 10, 2017).
<a href="#"><u>10.9</u></a>	Broadridge Financial Solutions, Inc. Director Deferred Compensation Plan (Amended and Restated Effective January 1, 2019) (incorporated by reference to Exhibit 10.2 to Form 8-K filed on November 14, 2018).
<a href="#"><u>10.10</u></a>	Information Technology Services Agreement, dated as of March 31, 2010, by and between International Business Machines Corporation and Broadridge Financial Solutions, Inc. (incorporated by reference to Exhibit 10.2 to Form 10-Q filed on May 10, 2010). (2)

<b>Exhibit Number</b>	<b>Description of Exhibit (1)</b>
<a href="#"><u>10.11</u></a>	Amendment No. 1 to the Information Technology Services Agreement, dated as of June 25, 2010, by and between International Business Machines Corporation and Broadridge Financial Solutions, Inc. (incorporated by reference to Exhibit 10.24 to Form 10-K filed on August 12, 2010). (2)
<a href="#"><u>10.12</u></a>	Amendment No. 3 to the Information Technology Services Agreement, dated as of April 15, 2011, by and between International Business Machines Corporation and Broadridge Financial Solutions, Inc. (incorporated by reference to Exhibit 10.33 to Form 10-K filed on August 12, 2011).
<a href="#"><u>10.13</u></a>	Amendment No. 5 to the Information Technology Services Agreement, dated as of June 11, 2011, by and between International Business Machines Corporation and Broadridge Financial Solutions, Inc. (incorporated by reference to Exhibit 10.34 to Form 10-K filed on August 12, 2011). (2)
<a href="#"><u>10.14</u></a>	Amendment No. 7 to the Information Technology Services Agreement, dated October 10, 2011, by and between International Business Machines Corporation and Broadridge Financial Solutions, Inc. (incorporated by reference to Exhibit 10.1 to Form 10-Q filed February 7, 2012). (2)
<a href="#"><u>10.15</u></a>	Amendment No. 12 to the Information Technology Services Agreement, dated as of March 31, 2015, by and between International Business Machines Corporation and Broadridge Financial Solutions Inc. (incorporated by reference to Exhibit 10.1 to Form 10-Q filed on May 8, 2015).
<a href="#"><u>10.16</u></a>	Broadridge Financial Solutions, Inc. Executive Deferred Compensation Plan (“EDCP”) (Amended and Restated effective June 15, 2011) (incorporated by reference to Exhibit 10.32 to Form 10-K filed on August 12, 2011).
<a href="#"><u>10.17</u></a>	Amendment to the Broadridge EDCP, adopted August 1, 2014, effective December 31, 2014 (incorporated by reference to Exhibit 10.2 to Form 10-Q filed on November 6, 2014).
<a href="#"><u>10.18</u></a>	Broadridge Financial Solutions, Inc. Supplemental Executive Retirement Plan (“SERP”) (incorporated by reference to Exhibit 10.31 to Form 10-K/A filed on October 27, 2010).
<a href="#"><u>10.19</u></a>	Amendment to the Broadridge Financial Solutions, Inc. SERP, effective February 2, 2017 (incorporated by reference to Exhibit 10.2 to Form 10-Q filed on May 10, 2017).
<a href="#"><u>10.20</u></a>	Broadridge Financial Solutions, Inc. 2007 Omnibus Award Plan, Amended and Restated effective November 14, 2013 (incorporated by reference to Exhibit 4.1 to Form 8-K filed on November 15, 2013).
<a href="#"><u>10.21</u></a>	Amendment to the Broadridge Financial Solutions, Inc. 2007 Omnibus Award Plan (Amended and Restated effective November 14, 2013), effective February 6, 2018 (incorporated by reference to Exhibit 10.1 to Form 10-Q filed on May 8, 2018).
<a href="#"><u>10.22</u></a>	Broadridge Financial Solutions, Inc. 2018 Omnibus Award Plan (incorporated by reference to Exhibit 10.1 to Form 8-K filed on November 13, 2018).
<a href="#"><u>10.23</u></a>	Executive Officer Annual Incentive Compensation Plan (incorporated by reference to Exhibit 10.1 to Form 8-K filed on November 14, 2018).
<a href="#"><u>10.24</u></a>	Amended and Restated Credit Agreement, dated as of March 18, 2019, among Broadridge Financial Solutions, Inc., the Lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.1 to Form 8-K filed on March 18, 2019).
<a href="#"><u>10.25</u></a>	<a href="#"><u>Amended and Restated Executive Retirement and Savings Plan, effective January 1, 2019.</u></a>
<a href="#"><u>14.1</u></a>	Code of Ethics for the Company’s Principal Executive Officer and Senior Financial Officers (incorporated by reference to Exhibit 99.1 to Form 8-K filed on August 8, 2007).
<a href="#"><u>21.1</u></a>	<a href="#"><u>Subsidiaries of the Company.</u></a>
<a href="#"><u>23.1</u></a>	<a href="#"><u>Consent of Independent Registered Public Accounting Firm.</u></a>



<b>Exhibit Number</b>	<b>Description of Exhibit (1)</b>
<a href="#"><u>31.1</u></a>	<a href="#"><u>Certification of the Chief Executive Officer of Broadridge Financial Solutions, Inc., pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
<a href="#"><u>31.2</u></a>	<a href="#"><u>Certification of the Chief Financial Officer of Broadridge Financial Solutions, Inc., pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
<a href="#"><u>32.1</u></a>	<a href="#"><u>Certification of the Chief Executive Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
<a href="#"><u>32.2</u></a>	<a href="#"><u>Certification of the Chief Financial Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
101	The following financial statements from the Broadridge Financial Solutions, Inc. Annual Report on Form 10-K for the fiscal year ended June 30, 2019, formatted in eXtensible Business Reporting Language (XBRL): (i) consolidated statements of earnings for the fiscal years ended June 30, 2019, 2018 and 2017, (ii) consolidated statements of comprehensive income for the fiscal years ended June 30, 2019, 2018 and 2017, (iii) consolidated balance sheets as of June 30, 2019 and 2018, (iv) consolidated statements of cash flows for the fiscal years ended June 30, 2019, 2018 and 2017, (v) consolidated statements of stockholders' equity for the fiscal years ended June 30, 2019, 2018 and 2017, and (vi) the notes to the Consolidated Financial Statements.

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- (1) The SEC File No. for the Company's Form 8-K Reports referenced is 001-33220.
- (2) Certain confidential information contained in this Exhibit was omitted by means of redacting a portion of the text and replacing it with an asterisk. This Exhibit has been filed separately with the Secretary of the Securities and Exchange Commission without the redaction pursuant to a Confidential Treatment Request under Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

## DESCRIPTION OF SECURITIES

*References to “Broadridge” and the “Company” herein are, unless the context otherwise indicates, only to Broadridge Financial Solutions, Inc. and not to any of its subsidiaries.*

### **Description of Capital Stock**

#### ***General***

The following is a summary of information concerning capital stock of Broadridge. The summaries and descriptions below do not purport to be complete statements of the relevant provisions of the Company’s Certificate of Incorporation (“**Charter**”) and Amended and Restated By-laws, amended as of August 6, 2019 (the “**By-laws**”), and are entirely qualified by these documents.

#### ***Common Stock***

*Shares Outstanding.* The Company is authorized to issue up to 650 million shares of common stock, par value \$.01 per share (the “**Common Stock**”).

*Dividends.* Subject to prior dividend rights of the holders of any shares of preferred stock of the Company (“**Preferred Stock**”), holders of shares of Common Stock are entitled to receive dividends when, as and if declared by the Company’s Board of Directors (the “**Board**”) out of funds legally available for that purpose. Delaware law allows a corporation to pay dividends only out of surplus, as determined under Delaware law.

*Voting Rights.* Each share of Common Stock is entitled to one vote on all matters submitted to a vote of stockholders. Holders of shares of Common Stock do not have cumulative voting rights. This means a holder of a single share of Common Stock cannot cast more than one vote for each position to be filled on the Board. It also means the holders of a majority of the shares of Common Stock entitled to vote in the election of directors can elect all directors standing for election and the holders of the remaining shares will not be able to elect any directors.

*Other Rights.* In the event of any liquidation, dissolution or winding up of the Company, after the satisfaction in full of the liquidation preferences of holders of any shares of Preferred Stock, holders of shares of Common Stock are entitled to ratable distribution of the remaining assets available for distribution to stockholders. The shares of Common Stock are not subject to redemption by operation of a sinking fund or otherwise. Holders of shares of Common Stock are not currently entitled to pre-emptive rights.

*Fully Paid.* The issued and outstanding shares of Common Stock are fully paid and non-assessable. This means the full purchase price for the outstanding shares of Common Stock has been paid and the holders of such shares will not be assessed any additional amounts for such shares. Any additional shares of Common Stock that the Company may issue in the future will also be fully paid and non-assessable.

#### ***Preferred Stock***

The Company is authorized to issue up to 25 million shares of Preferred Stock from time to time in one or more series and with such rights and preferences as determined by the Board with respect to each series.

## ***Anti-takeover Effects of Our Certificate of Incorporation and By-laws and Delaware Law***

Some provisions of Delaware law, the Charter and By-laws could make the following more difficult:

- acquisition of the Company by means of a tender offer,
- acquisition of the Company by means of a proxy contest or otherwise, or
- removal of the Company's incumbent officers and directors.

These provisions, summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of the Company to first negotiate with the Board. The Company believes that the benefits of increased protection give it the potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us and outweigh the disadvantages of discouraging those proposals because negotiation of them could result in an improvement of their terms.

### ***Size of Board and Vacancies***

The By-laws provide that the Board will have one or more members, which number will be determined by resolution of the Board. Directors are elected at each annual meeting of stockholders by the vote of majority shares present. Any director may be removed at any time, with or without cause, upon the affirmative vote of holders of a majority of the outstanding shares of Common Stock. Newly created directorships resulting from any increase in the Company's authorized number of directors or any vacancies in the Board resulting from death, resignation, retirement, removal from office or other cause may be filled by the majority vote of the Company's remaining directors in office, or by the sole remaining director, or by a majority vote of the Company's stockholders at a special meeting called for that purpose. If at such special meeting no person nominated to fill the vacancy receives a majority of such votes, then such vacancy will be filled by the majority of remaining directors in office.

### ***Elimination of Stockholder Action by Written Consent***

The Charter eliminates the right of the Company's stockholders to act by written consent. Stockholder action must take place at the annual or a special meeting of the Company's stockholders.

### ***Stockholder Meetings***

Under the By-laws, only the Company's chairman, chief executive officer, the Board and the Secretary may call special meetings of the Company's stockholders. Stockholders who in the aggregate beneficially own at least 20% of the voting power of all outstanding shares of common stock of the Company may call a special meeting of the Company's stockholders through the Secretary upon proper written request to the Secretary.

### ***Requirements for Advance Notification of Stockholder Nominations and Proposals***

The By-laws establish advance notice procedures with respect to stockholder proposals and nomination of candidates for election as directors other than nominations made by or at the direction of the Board or a committee of the Board.

### Delaware Anti-takeover Law

The Company is subject to Section 203 of the Delaware General Corporation Law (“**Section 203**”), an anti-takeover law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years following the date such person became an interested stockholder, unless the business combination or the transaction in which such person became an interested stockholder is approved in a prescribed manner. Generally, a “business combination” includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. Generally, an “interested stockholder” is a person that, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation’s voting stock. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by the Board, including discouraging attempts that might result in a premium over the market price for the shares of Common Stock.

### No Cumulative Voting

Neither the Charter nor By-laws provide for cumulative voting in the election of directors.

### Undesignated Preferred Stock

The authorization of the Company’s undesignated Preferred Stock makes it possible for the Board to issue Preferred Stock with voting or other rights or preferences that could impede the success of any attempt to change control of the Company.

### **Transfer Agent and Registrar**

Our transfer agent and registrar is Broadridge Issuer Solutions.

### **New York Stock Exchange Listing**

The Common Stock is listed on the New York Stock Exchange under the ticker symbol “BR.”

### **Description of Debt Securities**

#### **General**

The Company currently has an effective registration statement on Form S-3 (File No.: 333-212143), which was filed with the Securities and Exchange Commission (the “**SEC**”) on June 21, 2016 (the “**Current Registration Statement**”) and covers issuances of the Company’s debt securities. The debt securities are direct obligations of Broadridge and rank equally and ratably in right of payment with other indebtedness of Broadridge that is not subordinated. The debt securities are governed by an indenture dated May 29, 2007 between the Company and U.S. Bank National Association, as trustee (the “**Base Indenture**”), as supplemented by the applicable supplemental indenture governing a particular series of debt securities (the “**Indenture**”). The discussion of the material provisions of the indenture, the debt securities and the material terms of a particular series of debt securities are subject to and are qualified in their entirety by reference to all of the provisions of the indenture.

The Base Indenture does not limit the aggregate principal amount of debt securities that may be issued under it. Unless otherwise provided in the terms of a series of debt securities, a series may be reopened, without notice to or consent of any holder of outstanding debt securities, for issuances of

additional debt securities of that series. The terms of each series of debt securities will be established by or pursuant to a resolution of the Board and set forth or determined in the manner provided in an officer's certificate or by a supplemental indenture.

Unless otherwise indicated, currency amounts referenced herein are stated in United States dollars.

The debt securities are issuable only in fully registered form, without coupons, or in the form of one or more global debt securities. The debt securities are issuable only in minimum denominations of \$1,000 and integral multiples of \$1,000 in excess thereof, unless otherwise specified in the applicable prospectus supplement of a particular series of debt securities.

Unless otherwise indicated in the applicable prospectus supplement of a particular series of debt securities, principal of and interest and premium, if any, on the debt securities will be payable at the Company's office or agency maintained for this purpose within New York City, or, at the Company's option, payment of interest on the debt securities may be made by check mailed to the holders of the debt securities at their respective addresses set forth in the register of holders of debt securities. Unless otherwise indicated in the applicable prospectus supplement of a particular series of debt securities, the trustee initially will be a paying agent and registrar under the indenture. The Company may act as paying agent or registrar under the indenture.

Unless otherwise indicated in the applicable prospectus supplement of a particular series of debt securities, interest will be computed on the basis of a 360-day year of twelve 30-day months. If a payment date is not a business day, payment may be made on the next succeeding day that is a business day, and interest will not accrue for the intervening period.

The Company currently has the following series of senior notes issued and outstanding:

- 3.950% Senior Notes due 2020 (the “**2020 Notes**”), issued pursuant to the registration statement on Form S-3 filed with the SEC on August 8, 2013 (Filed No. 333-190470); and
- 3.400% Senior Notes due 2026 (the “**2026 Notes**” and together with the 2020 Notes, the “**Notes**”), issued pursuant to the Current Registration Statement.

#### Certain Covenants

The indenture governing the terms of the debt securities will contain the following principal covenants:

##### *Limitation on Liens*

Broadridge will not, and will not permit any Significant Subsidiary to, create, incur, assume or permit to exist any lien on any property or asset (including the capital stock of any subsidiary), to secure any indebtedness of Broadridge, any Significant Subsidiary or any other person without securing the debt securities of each series equally and ratably with such indebtedness for so long as such indebtedness shall be so secured, subject to certain exceptions. Exceptions include:

- liens existing on the date of the creation of the debt securities of such series;
- liens on assets or property of a person at the time it becomes a subsidiary securing only indebtedness of such person; provided such indebtedness was not incurred in connection

with such person or entity becoming a subsidiary and such liens do not extend to any assets other than those of the person becoming a subsidiary;

- liens existing on assets created at the time of, or within 18 months after, the acquisition, purchase, lease, improvement or development of such assets to secure all or a portion of the purchase price or lease for, or the costs of improvement or development of, such assets;
- liens to secure any extension, renewal, refinancing or refunding (or successive extensions, renewals, refinancings or refundings), in whole or in part, of any indebtedness secured by liens referred to above or liens created in connection with any amendment, consent or waiver relating to such indebtedness, so long as such lien is limited to all or part of substantially the same property which secured the lien extended, renewed or replaced, the amount of indebtedness secured is not increased (other than by the amount equal to any costs and expenses (including any premiums, fees or penalties) incurred in connection with any extension, renewal, refinancing or refunding) and the indebtedness so secured does not exceed the fair market value (as determined by the Board) of the assets subject to such liens at the time of such extension, renewal, refinancing or refunding, or such amendment, consent or waiver, as the case may be;
- liens on property incurred in permitted sale and leaseback transactions (except in the case of the Notes);
- liens in favor of only Broadridge or one or more subsidiaries granted by Broadridge or a subsidiary to secure any obligations owed to Broadridge or a subsidiary of Broadridge;
- liens on assets of any subsidiary of Broadridge registered as a “broker” or a “dealer” as such terms are defined in Sections 3(a)(4) and (5) of the Exchange Act of 1934 (the “**Exchange Act**”) created or otherwise arising in the ordinary course of such subsidiary’s business;
- liens on securities deemed to exist under repurchase agreements and reverse repurchase agreements entered into by Broadridge or any Significant Subsidiary in the ordinary course of business;
- liens in favor of the trustee granted in accordance with the indenture; and
- liens otherwise prohibited by this covenant, securing indebtedness which, together with the value of attributable debt incurred in sale and leaseback transactions permitted under “—*Limitation on Sale and Leaseback Transactions*” below, do not exceed the greater of (i) 15% of Consolidated Net Tangible Assets measured at the date of incurrence of the lien and (ii) \$50 million (or in the case of the Notes, \$100 million).

### *Limitation on Sale and Leaseback Transactions*

Broadridge will not, and will not permit any Significant Subsidiary to, enter into any arrangement with any person pursuant to which Broadridge or any Significant Subsidiary leases any property that has been or is to be sold or transferred by Broadridge or the Significant Subsidiary to such person (a “**Sale and Leaseback Transaction**”), except that a sale and leaseback transaction is permitted if Broadridge or such Significant Subsidiary would be entitled to incur indebtedness secured by a lien on the property to be leased (without equally and ratably securing the outstanding debt securities of any series) in an amount equal to the present value of the lease payments with respect to the term of the lease remaining on the date as of which the amount is being determined, discounted at the rate of interest set forth or implicit in the terms of the lease, compounded semi-annually (such amount is referred to as the “**Attributable Debt**”).

In addition, permitted sale and leaseback transactions not subject to the limitation above and the provisions described in “—*Limitation on Liens*” above include:

- temporary leases for a term, including renewals at the option of the lessee, of not more than three years;
- leases between only Broadridge and a subsidiary of Broadridge or only between subsidiaries of Broadridge;
- leases where the proceeds are at least equal to the fair market value (as determined by the Board) of the property and Broadridge applies within 180 days after the sale of an amount equal to the greater of the net proceeds of the sale or the attributable debt associated with the property to the retirement of long-term secured indebtedness; and
- leases of property executed by the time of, or within 12 months after the latest of, the acquisition, the completion of construction or improvement, or the commencement of commercial operation of the property.

### *Limitation on Consolidation, Merger and Sale of Assets*

Broadridge may not consolidate or merge with or into another entity, or sell, lease, convey, transfer or otherwise dispose of its property and assets substantially as an entirety to another entity unless:

- (1) Broadridge is the surviving or continuing corporation or (2) the successor entity, if other than Broadridge, is a U.S. corporation, partnership, limited liability company or trust and expressly assumes by supplemental indenture all of Broadridge’s obligations under the debt securities of all series and the indenture;
- immediately after giving effect to the transaction, no event of default (as defined below), and no event that, after notice or lapse of time or both, would become an event of default, has occurred and is continuing; and
- if, as a result of any consolidation, merger, sale or lease, conveyance or transfer described in this covenant, properties or assets of Broadridge would become subject to any lien which would not be permitted by the asset lien restriction described above without

equally and ratably securing the debt securities of each series, Broadridge or such successor person, as the case may be, will take the steps as are necessary to secure effectively the debt securities of such series equally and ratably with, or prior to, all indebtedness secured by those liens as described above.

In connection with any transaction that is covered by this covenant, Broadridge must deliver to the trustee an officer's certificate and an opinion of counsel each stating that the transaction complies with the terms of the indenture.

In the case of any such consolidation, merger, sale, transfer or other conveyance, but not a lease, in a transaction in which there is a successor entity, the successor entity will succeed to, and be substituted for, Broadridge under the indenture and, subject to the terms of the indenture, Broadridge will be released from the obligation to pay principal and interest on the debt securities and all obligations under the indenture.

#### Events of Default

Each of the following is an "event of default" under the indenture with respect to the debt securities of any series (unless otherwise indicated):

- (1) a failure to pay principal of or premium, if any, on the debt securities of such series when due at its stated maturity date, upon optional redemption or otherwise;
- (2) in the case of the Notes, a failure by Broadridge to repurchase the applicable Notes tendered for repurchase following the occurrence of a change of control repurchase event in conformity with the covenant set forth below under "*The Notes—Purchase of Notes Upon a Change of Control Repurchase Event*";
- (3) a default in the payment of interest on the debt securities of such series when due, continued for 30 days;
- (4) certain events of bankruptcy, insolvency or reorganization involving Broadridge;
- (5) a default in the performance, or breach, of Broadridge's obligations under the "*—Limitation on Consolidation, Merger and Sale of Assets*" covenant described above;
- (6) a default in the performance, or breach, of any other covenant, warranty or agreement in the indenture (other than a default or breach pursuant to clause (5) immediately above or any other covenant or warranty a default in which is elsewhere dealt with in the indenture) for 60 days after a Notice of Default (as defined below) is given to Broadridge; and
- (7) (a) a failure to make any payment at maturity, including any applicable grace period, on any indebtedness of Broadridge (other than indebtedness of Broadridge owing to any of its subsidiaries) outstanding in an amount in excess of \$75 million or its foreign currency equivalent at the time and continuance of this failure to pay or (b) a default on any indebtedness of Broadridge (other than indebtedness owing to any of its subsidiaries),



which default results in the acceleration of such indebtedness in an amount in excess of \$75 million or its foreign currency equivalent at the time without such indebtedness having been discharged or the acceleration having been cured, waived, rescinded or annulled, in the case of clause (a) or (b) above; provided, however, that if any failure, default or acceleration referred to in clauses 7(a) or (b) ceases or is cured, waived, rescinded or annulled, then the event of default under the indenture will be deemed cured.

No event of default with respect to a single series of debt securities issued under the indenture necessarily constitutes an event of default with respect to any other series of debt securities.

A default under clause (5) above is not an event of default until the trustee or the holders of not less than 25% in aggregate principal amount of the outstanding debt securities of such series notify Broadridge of the default and Broadridge does not cure such default within the time specified after receipt of such notice. Such notice must specify the default, demand that it be remedied and state that such notice is a "Notice of Default."

Broadridge shall deliver to the trustee, within 30 days after the occurrence thereof, written notice in the form of an officer's certificate of any event that with the giving of notice or the lapse of time or both would become an event of default, its status and what action Broadridge is taking or proposes to take with respect thereto.

If an event of default (other than an event of default resulting from certain events involving bankruptcy, insolvency or reorganization with respect to Broadridge) shall have occurred and be continuing, the trustee or the registered holders of not less than 25% in aggregate principal amount of the outstanding debt securities of such series may declare, by notice to Broadridge in writing (and to the trustee, if given by the holders of the debt securities) specifying the event of default, to be immediately due and payable the principal amount of all the outstanding debt securities of such series, plus accrued but unpaid interest to the date of acceleration. In case an event of default resulting from certain events of bankruptcy, insolvency or reorganization with respect to Broadridge shall occur, such amount with respect to all the outstanding debt securities of such series shall be due and payable immediately without any declaration or other act on the part of the trustee or the holders of the outstanding debt securities of such series. Unless as otherwise provided herein, after any such acceleration, but before a judgment or decree based on acceleration is obtained by the trustee, the registered holders of a majority in aggregate principal amount of outstanding debt securities of such series then outstanding may, under certain circumstances, rescind and annul such acceleration and waive such event of default with respect to the outstanding debt securities of such series if all events of default, other than the nonpayment of accelerated principal, premium or interest with respect to the outstanding debt securities of such series, have been cured or waived as provided in the indenture.

Subject to the provisions of the indenture relating to the duties of the trustee, in case an event of default shall occur and be continuing with respect to a series of debt securities, the trustee will be under no obligation to exercise any of its rights or powers under the indenture at the request or direction of any of the holders of the debt securities of such series, unless such holders shall have offered to the trustee reasonable indemnity or security against any loss, liability or expense. Subject to such provisions for the indemnification of the trustee, the holders of a majority in aggregate principal amount of the outstanding debt securities of such series will have the right to direct the time, method and place of conducting any

proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to the debt securities of such series.

No holder of debt securities of any series will have any right to institute any proceeding with respect to the indenture, or for the appointment of a receiver or trustee, or for any remedy thereunder, unless:

- (a) such holder has previously given to the trustee written notice of a continuing event of default,
- (b) the registered holders of at least 25% in aggregate principal amount of the debt securities of such series then outstanding have made written request and offered reasonable indemnity to the trustee to institute such proceeding as trustee, and
- (c) the trustee shall not have received from the registered holders of a majority in aggregate principal amount of the debt securities of such series then outstanding a direction inconsistent with such request and shall have failed to institute such proceeding within 60 days.

However, such limitations do not apply to a suit instituted by a holder of any debt securities for enforcement of payment of the principal of, and premium, if any, or interest on, such debt securities on or after the respective due dates expressed in such debt securities.

The indenture requires Broadridge to furnish to the trustee, within 120 days after the end of each fiscal year, a statement of an officer regarding compliance with the indenture. Upon becoming aware of any default or event of default, Broadridge is required to deliver to the trustee a statement specifying such default or event of default.

#### Definitions

The indenture contains the following defined terms:

“**Consolidated Net Tangible Assets**” means, as of the time of determination, the aggregate amount of the assets of Broadridge and the assets of its consolidated subsidiaries after deducting (1) all goodwill, trade names, trademarks, service marks, patents, unamortized debt discount and expense and other intangible assets and (2) all current liabilities, as reflected on the most recent consolidated balance sheet prepared by Broadridge in accordance with GAAP contained in an annual report on Form 10-K or a quarterly report on Form 10-Q timely filed or any amendment thereto (and not subsequently disclaimed as not being reliable by Broadridge) prior to the time as of which “Consolidated Net Tangible Assets” is being determined.

“**GAAP**” means generally accepted accounting principles in the United States of America in effect on the date of the indenture.

“**guarantee**” means any obligation, contingent or otherwise, of any person directly or indirectly guaranteeing any indebtedness of any other person and any obligation, direct or indirect, contingent or otherwise, of such person (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such indebtedness of such other person (whether arising by virtue of partnership arrangements, or by agreement to keep well, to purchase assets, goods,

securities or services, to take or pay or to maintain financial statement conditions or otherwise) or (2) entered into for purposes of assuring in any other manner the obligee of such indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); provided, however, that the term “guarantee” will not include endorsements for collection or deposit in the ordinary course of business. The term “guarantee,” when used as a verb, has a correlative meaning.

“**incur**” means issue, assume, guarantee or otherwise become liable for.

“**indebtedness**” means, with respect to any person, obligations (other than Non-recourse Obligations (as defined below)) of such person for borrowed money (including, without limitation, indebtedness for borrowed money evidenced by notes, bonds, debentures or similar instruments).

“**Non-recourse Obligation**” means indebtedness or other obligations substantially related to the financing of a project involving the development or expansion of properties of Broadridge or any direct or indirect subsidiaries of Broadridge, as to which the obligee with respect to such indebtedness or obligation has no recourse to Broadridge or any direct or indirect subsidiary of Broadridge or such subsidiary’s assets other than the assets which were acquired with the proceeds of such transaction or the project financed with the proceeds of such transaction (and the proceeds thereof).

“**person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or political subdivision thereof.

“**Significant Subsidiary**” has the meaning set forth in Rule 1-02(w) of Regulation S-X under the Securities Act of 1933, as amended.

“**subsidiary**” means, with respect to any person (the “**parent**”) at any date, any corporation, limited liability company, partnership, association or other entity of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of that date, owned, controlled or held by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

#### Modification and Waiver

Subject to certain exceptions, the indenture may be amended with the consent of the holders of a majority in principal amount of the outstanding debt securities of all series affected by such amendment (including consents obtained in connection with a tender offer or exchange for the debt securities of such series). Broadridge and the trustee may, without the consent of any holders, change the indenture for any of the following purposes:

- to evidence the succession of another person to Broadridge and the assumption by any such successor of the covenants of Broadridge under the indenture and the debt securities;

- to add to the covenants of Broadridge for the benefit of holders of the debt securities or to surrender any right or power conferred upon Broadridge;
- to add any additional events of default for the benefit of holders of the debt securities;
- to add to or change any of the provisions of the indenture as necessary to permit or facilitate the issuance of debt securities in bearer form, registrable or not registrable as to principal, and with or without interest coupons, or to permit or facilitate the issuance of debt securities in uncertificated form;
- to secure the debt securities;
- to add or appoint a successor or separate trustee;
- to cure any ambiguity, defect or inconsistency;
- to supplement any of the provisions of the indenture as necessary to permit or facilitate the defeasance and discharge of any series of debt securities, provided that the interests of the holders of such debt securities are not adversely affected in any material respect;
- to make any other change that would not adversely affect the holders of the debt securities of such series;
- to make any change necessary to comply with any requirement of the SEC in connection with the qualification of the Base Indenture or any supplemental indenture under the Trust Indenture Act of 1939, as amended (the “**Trust Indenture Act**”);
- to conform the Base Indenture to the Description of Debt Securities included in the applicable registration statement filed by the Company with the SEC; and
- to reflect the issuance of additional debt securities of a particular series as permitted by the indenture.

Notwithstanding the foregoing, no modification, supplement, waiver or amendment may, without the consent of the holder of each outstanding debt security affected thereby:

- make any change to the percentage of principal amount of debt securities the holders of which must consent to an amendment, modification, supplement or waiver;
- reduce the rate of or extend the time of payment for interest on any debt securities;
- reduce the principal amount or extend the stated maturity of any debt securities;
- reduce the redemption or repurchase price of any series of debt securities, change the date on which any series of debt securities is subject to redemption or repurchase or add redemption provisions to the debt securities;

- make any debt securities payable in money other than that stated in the indenture or the debt securities;
- impair the right to institute suit for the enforcement of any payment on or with respect to the debt securities; or
- make any change in the ranking or priority of any debt securities that would adversely affect the holder of such debt securities.

The holders of at least a majority in principal amount of the outstanding debt securities may waive compliance by Broadridge with certain restrictive provisions of the Base Indenture with respect to the debt securities. The holders of at least a majority in principal amount of the outstanding debt securities may waive any past default under the indenture, except a default not theretofore cured in the payment of principal or interest and certain covenants and provisions of the indenture which cannot be amended without the consent of the holder of each outstanding debt security.

### Defeasance

Broadridge at any time may terminate all its obligations with respect to the debt securities of any series and the indenture (such termination, “**legal defeasance**”), except for certain obligations, including those respecting the defeasance trust and obligations to register the transfer or exchange of the debt securities of such series, to replace mutilated, destroyed, lost or stolen debt securities and to maintain a registrar and paying agent in respect of the debt securities of such series. Broadridge at any time may also terminate its obligations with respect to the debt securities of any series under the covenants described under “—*Certain Covenants—Limitation on Liens*,” “—*Certain Covenants—Limitation on Sale and Leaseback Transactions*,” and under clause (5) under “—*Events of Default*,” the provisions which termination is referred to herein as “**covenant defeasance**.” Broadridge may exercise its legal defeasance option with respect to any series of debt securities notwithstanding its prior exercise of its covenant defeasance option with respect to such series of debt securities.

If Broadridge exercises its legal defeasance option with respect to the debt securities of any series, payment of the debt securities of such series may not be accelerated because of an event of default with respect thereto. If Broadridge exercises its covenant defeasance option with respect to the debt securities of any series, payment of the debt securities of such series may not be accelerated because of an event of default specified in clauses (5) and (6) under “—*Events of Default*.”

The legal defeasance option or the covenant defeasance option with respect to the debt securities of any series may be exercised only if:

- (a) Broadridge irrevocably deposits in trust with the trustee money or U.S. government securities or a combination thereof, which through the payment of interest thereon and principal thereof in accordance with their terms, will provide money in an amount sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay principal and interest when due on all the debt securities being defeased to maturity;

- (b) no default or event of default with respect to the debt securities of such series has occurred and is continuing on the date of such deposit, or, with respect to an event of default involving bankruptcy, at any time in the period ending on the 91st day after the date of deposit;
- (c) in the case of the legal defeasance option, Broadridge delivers to the trustee an opinion of counsel stating that:
  - (1) Broadridge has received from the Internal Revenue Service a ruling, or
  - (2) since the date of the indenture there has been a change in the applicable U.S. federal income tax law, to the effect, in either case, that and based thereon such opinion of counsel shall confirm that the holders of the debt securities of such series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same time as would have been the case if such defeasance has not occurred;
- (d) in the case of the covenant defeasance option, Broadridge delivers to the trustee an opinion of counsel to the effect that the holders of the debt securities of such series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such covenant defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred; and
- (e) Broadridge delivers to the trustee an officer's certificate and an opinion of counsel, each stating that all conditions precedent to the defeasance and discharge of the debt securities of any series have been complied with as required by the indenture.

#### Discharge

When (i) Broadridge delivers to the trustee all outstanding debt securities of any series (other than debt securities replaced because of mutilation, loss, destruction or wrongful taking) for cancellation or (ii) all outstanding debt securities of any series have become due and payable, or are by their terms due and payable within one year whether at maturity or are to be called for redemption within one year under arrangements reasonably satisfactory to the trustee, and in the case of clause (ii) Broadridge irrevocably deposits with the trustee funds sufficient to pay at maturity or upon redemption all outstanding debt securities of such series, including interest thereon, and if in either case Broadridge pays all other sums related to the debt securities of such series payable under the Base Indenture by Broadridge, then the Base Indenture shall, subject to certain surviving provisions, cease to be of further effect with respect to such series. The trustee shall acknowledge satisfaction and discharge of the indenture with respect to the debt securities of such series on demand of Broadridge accompanied by an officer's certificate and an opinion of counsel of Broadridge.

#### Governing Law

The indenture and the debt securities will be governed by, and construed in accordance with, the laws of the State of New York.

### ***The Notes***

Selected provisions of the Notes are summarized below. This summary supplements and, to the extent it is inconsistent, replaces the description of the debt securities under the caption “*Description of Debt Securities* □ *General*” above. The following summary of provisions of the 2026 Notes Indenture (as defined below), the 2020 Notes Indenture (as defined below and together with the 2026 Notes, the “**Notes Indentures**”) and the Notes does not purport to be complete and is subject to, and qualified in its entirety by reference to, all of the provisions of the Notes Indentures, including definitions therein of certain terms and provisions made a part of the applicable Notes Indenture by reference to the Trust Indenture Act. Capitalized terms used and not defined in this section have the meanings specified in the applicable Notes Indenture.

#### **General**

The 2020 Notes were issued under the Base Indenture, as supplemented, and as further supplemented to reflect certain terms of the 2020 Notes by a second supplemental indenture dated as of August 21, 2013 (the “**second supplemental indenture**” and, together with the Base Indenture, the “**2020 Notes Indenture**”). As of June 30, 2019, approximately \$400 million principal amount of the 2020 Notes were outstanding.

The 2026 Notes were issued under the Base Indenture, as supplemented, and as further supplemented to reflect certain terms of the 2026 Notes by a third supplemental indenture dated as of June 27, 2016 (the “**third supplemental indenture**” and, together with the Base Indenture, the “**2026 Notes Indenture**”). As of June 30, 2019, approximately \$500 million principal amount of the 2026 Notes were outstanding.

The Notes have the following basic terms:

- the Notes are senior unsecured obligations of Broadridge and rank equally in right of payment with all other existing and future unsecured and unsubordinated debt obligations of Broadridge;
- the Notes are obligations exclusively of Broadridge and are not guaranteed by any of its subsidiaries;
- the 2020 Notes are initially limited to \$400.0 million aggregate principal amount and the 2026 Notes are initially limited to \$500.0 million aggregate principal amount (each series is subject to the rights of Broadridge to issue additional Notes as described under “—*Further Issuances*” below);
- the 2020 Notes accrue interest at a rate of 3.950% per year and the 2026 Notes accrue interest at a rate of 3.400% per year;

- interest accrues on the 2020 Notes from the most recent interest payment date to or for which interest has been paid or duly provided for (or if no interest has been paid or duly provided for, from the issue date of the 2020 Notes), payable semiannually in arrears on March 1 and September 1 of each year, beginning on March 1, 2014;
- interest accrues on the 2026 Notes from the most recent interest payment date to or for which interest has been paid or duly provided for (or if no interest has been paid or duly provided for, from the issue date of the 2026 Notes), payable semiannually in arrears on June 27 and December 27 of each year, beginning on December 27, 2016;
- the 2020 Notes will mature on September 1, 2020 and 2026 Notes will mature on June 27, 2026, unless, in each case, redeemed or repurchased prior to the applicable maturity date;
- Broadridge may redeem the Notes, in whole or in part, at any time at its option as described under “—*Optional Redemption*” below;
- Broadridge may be required to repurchase the Notes in whole or in part at the option of the applicable holders in connection with the occurrence of a “change of control repurchase event” as described under “—*Purchase of Notes Upon a Change of Control Repurchase Event*” below;
- the Notes are issued in registered form in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof;
- the Notes are represented by one or more global notes registered in the name of a nominee of DTC (as defined below), but in certain circumstances may be represented by Notes in definitive form (see “—*Book-entry; Delivery and Form; Global Notes*” below); and
- the Notes are exchangeable and transferable at the office or agency of Broadridge maintained for such purposes (which initially will be the corporate trust office of the trustee).

Interest on each 2020 Notes will be paid to the person in whose name that note is registered at the close of business on February 15 or August 15, as the case may be, immediately preceding the relevant interest payment date. Interest on the Notes will be computed on the basis of a 360-day year comprised of twelve 30-day months. Interest on each 2026 Notes will be paid to the person in whose name that note is registered at the close of business on June 12 or December 12, as the case may be, immediately preceding the relevant interest payment date.

If any interest or other payment date of a Note falls on a day that is not a business day, the required payment of principal, premium, if any, or interest will be due on the next succeeding business day as if made on the date that the payment was due, and no interest will accrue on that payment for the period from and after that interest or other payment date, as the case may be, to the date of that payment



on the next succeeding business day. The term “business day” means, with respect to any Note, any day other than a Saturday, a Sunday or a day on which banking institutions or trust companies in New York City are authorized or required by law, regulation or executive order to close.

The Notes are not subject to any sinking fund.

Broadridge may, subject to compliance with applicable law, at any time purchase Notes in the open market or otherwise.

#### Payment and Transfer or Exchange

Principal of and premium, if any, and interest on the Notes will be payable, and the Notes may be exchanged or transferred, at the office or agency maintained by Broadridge for such purpose (which initially will be the corporate trust office of the trustee located at 21 South Street, 3rd Floor, Morristown, New Jersey 07960). Payment of principal of and premium, if any, and interest on a global note registered in the name of or held by The Depository Trust Company (“**DTC**”) or its nominee will be made in immediately available funds to DTC or its nominee, as the case may be, as the registered holder of such global note. If any of the Notes are no longer represented by a global note, payment of interest on certificated notes in definitive form may, at the option of Broadridge, be made by (i) check mailed directly to holders at their registered addresses or (ii) upon request of any holder of at least \$1,000,000 principal amount of Notes, wire transfer to an account located in the United States maintained by the payee. See “—*Book-Entry; Delivery and Form; Global Notes*” below.

A holder may transfer or exchange any certificated notes in definitive form at the office or agency of Broadridge maintained for such purposes (which initially will be at the same location set forth in the preceding paragraph). No service charge will be made for any registration of transfer or exchange of Notes, but Broadridge may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith. Broadridge is not required to transfer or exchange any Note selected for redemption during a period of 15 days before mailing of a notice of redemption of Notes to be redeemed.

The registered holder of a Note will be treated as the owner of that Note for all purposes.

All amounts of principal of and premium, if any, and interest on the Notes paid by Broadridge that remain unclaimed two years after such payment was due and payable will be repaid to Broadridge, and the holders of such Notes will thereafter look solely to Broadridge for payment.

#### Ranking

The Notes are senior unsecured obligations of Broadridge and rank equally in right of payment with all existing and future unsecured and unsubordinated obligations of Broadridge and any amounts outstanding under the Company’s revolving credit facility (the “**Credit Facility**”). As of June 30, 2019, Broadridge had approximately \$1.5 billion of senior unsecured indebtedness outstanding.

The Notes effectively rank junior in right of payment to all existing and future secured indebtedness of Broadridge to the extent of the assets securing such indebtedness, and to all existing and future liabilities of its subsidiaries, including indebtedness and trade payables. As of June 30, 2019, Broadridge did not have any outstanding secured indebtedness.

Broadridge is a holding company with no material assets and derives substantially all of its operating income and cash flow from its subsidiaries. Therefore, Broadridge's ability to make payments when due to the holders of the Notes is dependent upon the receipt of sufficient funds from its subsidiaries. In addition, Broadridge Business Process Outsourcing, LLC, a wholly owned subsidiary of Broadridge, is a registered broker-dealer and is therefore subject to the SEC's net capital rule, which specifies minimum net capital requirements for registered broker-dealers and prohibits payments of dividends if such payment would reduce the broker-dealer's net capital below required levels. The net capital rule could restrict Broadridge's ability to withdraw capital from its broker-dealer subsidiary which in turn could limit its ability to make payments when due to holders of the Notes. Further, claims of creditors of Broadridge's subsidiaries generally will have priority with respect to the assets and earnings of such subsidiaries over the claims of Broadridge's creditors, including holders of the Notes. Accordingly, the Notes will be effectively subordinated to creditors, including trade creditors and preferred stockholders, if any, of Broadridge's subsidiaries. As of June 30, 2019, the Company's subsidiaries had approximately \$2.8 billion in liabilities and no outstanding preferred stock.

#### Optional Redemption

Broadridge may redeem the 2020 Notes at its option at any time, either in whole or in part upon at least 30 days, but not more than 60 days, prior notice given by mail to the registered address of each Holder of the 2020 Notes to be redeemed. With respect to the 2026 Notes, prior to March 27, 2026 (three months prior to the maturity date of the 2026 Notes) (the "**Par Call Date**"), Broadridge may redeem the 2026 Notes at its option at any time, either in whole or in part upon at least 30 days, but not more than 60 days, prior notice given by mail to the registered address of each holder of the 2026 Notes to be redeemed.

If Broadridge elects to redeem the Notes, it will pay a redemption price equal to the greater of the following amounts, plus, in each case, accrued and unpaid interest thereon to, but not including, the redemption date:

- 100% of the aggregate principal amount of the applicable Notes to be redeemed on the redemption date; or
- the sum of the present values of the Remaining Scheduled Payments.

In determining the present values of the Remaining Scheduled Payments, Broadridge will discount such payments to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) using a discount rate equal to the Treasury Rate plus 0.30%.

In addition, with respect to the 2026 Notes only, at any time and from time to time, on or after the Par Call Date, Broadridge may redeem the 2026 Notes at its option, either in whole or in part, at a redemption price equal to 100% of the aggregate principal amount of the 2026 Notes to be redeemed on the redemption date, plus accrued and unpaid interest on such Notes to, but excluding, the redemption date.

The following terms are relevant to the determination of the redemption price.

"**Treasury Rate**" means, with respect to any redemption date for a series of the Notes:

- the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published

statistical release designated “H.15(519)” or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption “Treasury Constant Maturities,” for the maturity corresponding to the Comparable Treasury Issue; provided that if no maturity is within three months before or after the maturity date for such series of Notes, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Treasury Rate will be interpolated or extrapolated from those yields on a straight line basis rounding to the nearest month; or

- if that release, or any successor release, is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for that redemption date.

The Treasury Rate will be calculated on the third business day preceding the redemption date.

“**Comparable Treasury Issue**” means the United States Treasury security selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Notes.

“**Independent Investment Banker**” means one of J.P. Morgan Securities LLC, Mitsubishi UFJ Securities (USA), Inc., Morgan Stanley & Co. LLC, Wells Fargo Securities, LLC or their respective successors, as may be appointed from time to time by Broadridge.

“**Comparable Treasury Price**” means, with respect to any redemption date, (1) the arithmetic average of three Reference Treasury Dealer Quotations for such redemption date after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the trustee obtains fewer than five Reference Treasury Dealer Quotations, the arithmetic average of all Reference Treasury Dealer Quotations for such redemption date.

“**Reference Treasury Dealer Quotations**” means, with respect to each Reference Treasury Dealer and any redemption date, the arithmetic average, as determined by the trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed, in each case, as a percentage of its principal amount) quoted in writing to the trustee by such Reference Treasury Dealer as of 5:00 p.m., New York City time, on the third business day preceding such redemption date.

“**Reference Treasury Dealer**” means with respect to the 2026 Notes, each of (1) J.P. Morgan Securities LLC, Morgan Stanley & Co. LLC and Wells Fargo Securities, LLC, or

their affiliates, and their respective successors, (2) one primary U.S. Government securities dealer in New York City (a “**primary treasury dealer**”) selected by Mitsubishi UFJ Securities (USA), Inc. and its successors and (3) one other primary treasury dealer selected by Broadridge and its successors; and with respect to the 2020 Notes each of (1) J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC, or their affiliates, and their respective successors, (2) one primary treasury dealer selected by Mitsubishi UFJ Securities (USA), Inc. and Wells Fargo Securities, LLC, and their respective successors and (3) one other primary treasury dealer selected by Broadridge and its successor; provided, however, that if any of the foregoing shall cease to be a primary treasury dealer, we shall substitute therefor another primary treasury dealer.

“**Remaining Scheduled Payments**” means, with respect to any Note to be redeemed, the remaining scheduled payments of the principal thereof and interest thereon that would be due after the related redemption date but for such redemption; provided, however, that, if such redemption date is not an interest payment date with respect to such note, the amount of the next scheduled interest payment thereon will be reduced by the amount of interest accrued thereon to such redemption date.

A partial redemption of the Notes may be effected by such method as the trustee may deem fair and appropriate and may provide for the selection for redemption of portions (equal to the minimum authorized denomination for the Notes or any integral multiple thereof) of the principal amount of Notes of a denomination larger than the minimum authorized denomination for the Notes.

Notice of any redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each holder of the Notes to be redeemed. Once notice of redemption is mailed, the Notes called for redemption will become due and payable on the redemption date and at the applicable redemption price, plus accrued and unpaid interest to the redemption date.

Unless Broadridge defaults in payment of the redemption price, on and after the redemption date interest will cease to accrue on the Notes, or portions thereof, called for redemption. On or before the redemption date, Broadridge will deposit with a paying agent (or the trustee) money sufficient to pay the redemption price of and accrued interest on the Notes to be redeemed on that date. If less than all of the Notes are to be redeemed, the Notes to be redeemed shall be selected by the trustee by a method the trustee deems to be fair and appropriate.

#### *Purchase of Notes Upon a Change of Control Repurchase Event*

If a change of control repurchase event occurs, unless Broadridge has exercised its right to redeem Notes as described above, Broadridge will be required to make an offer to each holder of Notes to repurchase all or any part (in excess of \$2,000 and in integral multiples of \$1,000) of that holder's Notes at a repurchase price in cash equal to 101% of the aggregate principal amount of Notes repurchased plus any accrued and unpaid interest on Notes repurchased to, but not including, the date of repurchase. Within 30 days following any change of control repurchase event or, at the option of Broadridge, prior to any change of control, but after the public announcement of the change of control, Broadridge will mail a notice to each holder, with a copy to the trustee, describing the transaction or transactions that constitute

or may constitute the change of control repurchase event and offering to repurchase Notes on the payment date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed. The notice shall, if mailed prior to the date of consummation of the change of control, state that the offer to purchase is conditioned on a change of control repurchase event occurring on or prior to the payment date specified in the notice. Broadridge will comply with the requirements of Rule 14e-1 under the Exchange Act, and any other securities laws and regulations to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a change of control repurchase event. To the extent that the provisions of any securities laws or regulations conflict with the change of control repurchase event provisions of the Notes, Broadridge will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the change of control repurchase event provisions of Notes by virtue of compliance with such securities laws or regulations.

On the repurchase date following a change of control repurchase event, Broadridge will, to the extent lawful:

- (1) accept for payment all the applicable Notes or portions of applicable Notes properly tendered pursuant to its offer;
- (2) deposit with the paying agent an amount equal to the aggregate purchase price in respect of all the applicable Notes or portions of applicable Notes properly tendered; and
- (3) deliver or cause to be delivered to the trustee Notes properly accepted, together with an officers' certificate stating the aggregate principal amount of Notes being purchased by Broadridge.

The paying agent will promptly mail to each holder of Notes properly tendered the purchase price for Notes, and the trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder a new Note equal in principal amount to any unpurchased portion of any Notes surrendered.

Broadridge will not be required to make an offer to repurchase Notes upon a change of control repurchase event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by Broadridge and such third party purchases all Notes properly tendered and not withdrawn under its offer.

The change of control repurchase event feature of Notes may in certain circumstances make more difficult or discourage a sale or takeover of Broadridge and, thus, in the case of the 2020 Notes, the removal of incumbent management. The change of control repurchase event feature is a result of negotiations between Broadridge and the underwriters. Broadridge has no present intention to engage in a transaction involving a change of control, although it is possible that Broadridge could decide to do so in the future. Subject to the limitations discussed below, Broadridge could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a change of control under the indenture, but that could increase the amount of indebtedness outstanding at such time or otherwise affect the capital structure of Broadridge or credit ratings of the Notes. Restrictions on the ability of Broadridge to incur liens, enter into sale and leaseback transactions and consolidate, merge or sell assets are contained in the covenants as described under “—*Certain covenants—Limitation on Liens*”, “—*Certain Covenants—Limitation on Sale and Leaseback Transactions*” and “—

*Certain Covenants—Limitation on Consolidation, Merger and Sale of Assets.*” Except for the limitations contained in such covenants and the covenant relating to repurchases upon the occurrence of a change of control repurchase event, the indenture will not contain any covenants or provisions that may afford holders of the Notes protection in the event of a decline in the credit quality of Broadridge or a highly leveraged or similar transaction involving Broadridge.

In addition, under a recent Delaware Chancery Court interpretation of a change of control repurchase requirement with a continuing director provision, a board of directors may approve a slate of shareholder nominated directors for purposes of the change of control repurchase event feature in the 2020 Notes without endorsing them at the stockholder meeting or while simultaneously recommending and endorsing its own slate instead. The foregoing interpretation would permit the Board to approve a slate of directors that included a majority of dissident directors nominated pursuant to a proxy contest, and the ultimate election of such dissident slate would not constitute a “change of control repurchase event” that would trigger the requirement that Broadridge repurchase the 2020 Notes as described above.

Broadridge may not have sufficient funds to repurchase all the applicable Notes upon a change of control repurchase event. In addition, even if it has sufficient funds, Broadridge may be prohibited from repurchasing the applicable Notes under the terms of its future debt instruments.

For purposes of the foregoing discussion of a repurchase at the option of holders, the following definitions are applicable:

**“change of control”** means the occurrence of any of the following: (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of Broadridge and its subsidiaries taken as a whole to any “person” (as that term is used in Section 13(d) and Section 14(d) of the Exchange Act) other than Broadridge or one of its subsidiaries; (2) the adoption of a plan relating to Broadridge's liquidation or dissolution; (3) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any “person” or “group” (as those terms are used in Section 13(d)(3) of the Exchange Act), other than Broadridge or its subsidiaries, becomes the beneficial owner (as defined in Rules 13(d)(3) and 13(d)(5) of the Exchange Act), directly or indirectly, of more than 50% of the combined voting power of Broadridge's voting stock or other voting stock into which Broadridge's voting stock is reclassified, consolidated, exchanged or changed, measured by voting power rather than number of shares; (4) with respect to the 2020 Notes only, the first day on which a majority of the members of the Board are not continuing directors; or (5) Broadridge consolidates with, or merges with or into, any person, or any person consolidates with, or merges with or into Broadridge, in any such event pursuant to a transaction in which any of the outstanding voting stock of Broadridge or such other person is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of the voting stock of Broadridge outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the voting stock of the surviving person immediately after giving effect to such transaction.

**“change of control repurchase event”** means the occurrence of both a change of control and a ratings event.

**“continuing directors”** means, as of any date of determination, any member of the board of directors of Broadridge who (1) was a member of such board of directors on the date of the issuance of the 2020 Notes; or (2) was nominated for election or elected to such board of directors with the approval of at least a majority of the continuing directors who were members of such board of directors at the time of such nomination or election (either by a specific vote or by our proxy statement in which such member was named as a nominee for election as a director, without objection to such nomination).

**“Fitch”** means Fitch Inc., a subsidiary of Fimalac, S.A., also known as Fitch Ratings, and its successors.

**“investment grade”** means a rating of Baa3 or better by Moody's (or its equivalent under any successor rating categories of Moody's); a rating of BBB– or better by S&P (or its equivalent under any successor rating categories of S&P); a rating of BBB– or better by Fitch (or its equivalent under any successor rating categories of Fitch); and the equivalent investment grade credit rating from any additional rating agency or rating agencies selected by Broadridge.

**“Moody's”** means Moody's Investors Service Inc. and its successors.

**“rating agency”** means (1) each of Moody's, S&P and Fitch; and (2) if any of Moody's, S&P and Fitch ceases to rate the Notes or fails to make a rating of the Notes publicly available for reasons outside of the control of Broadridge, a “nationally recognized statistical rating organization” within the meaning of Section 3(a)(62) of the Exchange Act, selected by Broadridge (as certified by a resolution of the board of directors of Broadridge) as a replacement for such rating agency.

**“ratings event”** means the rating of the Notes is lowered by at least two of the three rating agencies and the Notes are rated below investment grade by at least two of the three rating agencies on any day during the period (which period will be extended so long as the rating of the Notes is under publicly announced consideration for a possible downgrade by any of the rating agencies) commencing on the earlier of the date of the first public occurrence of a change of control or the date of public notice of an agreement that, if consummated, would result in a change of control and ending 60 days following consummation of such change of control.

**“S&P”** means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., and its successors.

**“voting stock”** of any specified person as of any date means the capital stock of such person that is at the time entitled to vote generally in the election of the board of directors of such person.

### Further Issuances

Broadridge may from time to time, without notice to or the consent of the holders of the 2026 Notes, create and issue additional 2026 Notes having the same terms as, and ranking equally and ratably

with, the 2026 Notes in all respects (except for the issue date and, if applicable, the payment of interest accruing prior to the issue date of such additional 2026 Notes and the first payment of interest following the issue date of such additional 2026 Notes). Such additional 2026 Notes may be consolidated and form a single series with, and will have the same terms as to ranking, redemption, waivers, amendments or otherwise, as the 2026 Notes and will vote together as one class on all matters with respect to the 2026 Notes.

The same applies to the 2020 Notes.

### Defeasance

Broadridge at any time may terminate all its obligations with respect to the Notes and the applicable Notes Indenture (such termination, “**Notes legal defeasance**”), except for certain obligations, including those respecting the defeasance trust and obligations to register the transfer or exchange of the applicable Notes, to replace mutilated, destroyed, lost or stolen Notes and to maintain a registrar and paying agent in respect of the Notes. Broadridge at any time may also terminate its obligations with respect to the Notes under the covenants described above under “*General—Certain Covenants—Limitation on Liens*,” “*General—Certain Covenants—Limitation on Sale and Leaseback Transactions*,” under clause (5) under “*General—Events of Default*,” and under the provisions described under “*—Purchase of Notes Upon a Change of Control Repurchase Event*,” the provisions which termination is referred to herein as “**Notes covenant defeasance**.” Broadridge may exercise its Notes legal defeasance option with respect to the applicable Notes notwithstanding its prior exercise of its covenant defeasance option with respect to such applicable Notes.

If Broadridge exercises its Notes legal defeasance option with respect to the applicable Notes, payment of the applicable Notes may not be accelerated because of an event of default with respect thereto. If Broadridge exercises its Notes covenant defeasance option with respect to the applicable Notes, payment of the applicable Notes may not be accelerated because of an event of default specified in clauses (5) and (6) under “*General—Events of Default*” described above with respect to the covenants described under “*General—Certain Covenants*” above and Broadridge will no longer be obligated to make an offer under the “*—Purchase of Notes Upon a Change of Control Repurchase Event*” provision upon the occurrence of a change of control.

The Notes legal defeasance option or the Notes covenant defeasance option with respect to the applicable Notes may be exercised only if:

- (a) Broadridge irrevocably deposits in trust with the trustee money or U.S. government securities or a combination thereof, which through the payment of interest thereon and principal thereof in accordance with their terms, will provide money in an amount sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay principal and interest when due on all the debt securities being defeased to maturity,
- (b) no default or event of default with respect to applicable Notes has occurred and is continuing on the date of such deposit, or, with respect to an event of default involving bankruptcy, at any time in the period ending on the 91st day after the date of deposit,



(c) in the case of the Notes legal defeasance option, Broadridge delivers to the trustee an opinion of counsel stating that:

(1) Broadridge has received from the Internal Revenue Service a ruling, or

(2) since the date of the indenture there has been a change in the applicable U.S. federal income tax law, to the effect, in either case, that and based thereon such opinion of counsel shall confirm that the holders of the debt securities of such series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same time as would have been the case if such defeasance has not occurred,

(d) in the case of the Notes covenant defeasance option, Broadridge delivers to the trustee an opinion of counsel to the effect that the holders of the applicable Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such covenant defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred, and

(e) Broadridge delivers to the trustee an officer's certificate and an opinion of counsel, each stating that all conditions precedent to the defeasance and discharge of the applicable Notes have been complied with as required by the applicable Notes Indenture.

Same-day Settlement and Payment

The Notes will trade in the same-day funds settlement system of DTC until the applicable maturity or until Broadridge issues the Notes in certificated form. DTC will therefore require secondary market trading activity in the Notes to settle in immediately available funds. Broadridge can give no assurance as to the effect, if any, of settlement in immediately available funds on trading activity in the Notes.

Book-entry; Delivery and Form; Global Notes

The Notes will be represented by one or more global notes in definitive, fully registered form without interest coupons. Each global note will be deposited with the trustee as custodian for DTC and registered in the name of a nominee of DTC in New York, New York for the accounts of participants in DTC.

Investors may hold their interests in a global note directly through DTC if they are DTC participants, or indirectly through organizations that are DTC participants. Except in the limited circumstances described below, holders of Notes represented by interests in a global note will not be entitled to receive their Notes in fully registered certificated form.

DTC has advised as follows: DTC is a limited-purpose trust company organized under New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the

Exchange Act. DTC was created to hold securities of institutions that have accounts with DTC (“**participants**”) and to facilitate the clearance and settlement of securities transactions among its participants in such securities through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. DTC’s participants include securities brokers and dealers (which may include the initial purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC’s book-entry system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, whether directly or indirectly.

#### Ownership of Beneficial Interests

Upon the issuance of each global note, DTC will credit, on its book-entry registration and transfer system, the respective principal amount of the individual beneficial interests represented by the global note to the accounts of participants. Ownership of beneficial interests in each global note will be limited to participants or persons that may hold interests through participants. Ownership of beneficial interests in each global note will be shown on, and the transfer of those ownership interests will be effected only through, records maintained by DTC (with respect to participants’ interests) and such participants (with respect to the owners of beneficial interests in the global note other than participants).

So long as DTC or its nominee is the registered holder and owner of a global note, DTC or such nominee, as the case may be, will be considered the sole legal owner of the Notes represented by the global note for all purposes under the applicable Note Indenture, the applicable Notes and applicable law. Except as set forth below, owners of beneficial interests in a global note will not be entitled to receive certificated notes and will not be considered to be the owners or holders of any Notes under the global note. Broadridge understands that under existing industry practice, in the event an owner of a beneficial interest in a global note desires to take any actions that DTC, as the holder of the global note, is entitled to take, DTC would authorize the participants to take such action, and that participants would authorize beneficial owners owning through such participants to take such action or would otherwise act upon the instructions of beneficial owners owning through them. No beneficial owner of an interest in a global note will be able to transfer the interest except in accordance with DTC’s applicable procedures, in addition to those provided for under the indenture. Because DTC can only act on behalf of participants, who in turn act on behalf of others, the ability of a person having a beneficial interest in a global note to pledge that interest to persons that do not participate in the DTC system, or otherwise to take actions in respect of that interest, may be impaired by the lack of physical certificate of that interest.

All payments on the Notes represented by a global note registered in the name of and held by DTC or its nominee will be made to DTC or its nominee, as the case may be, as the registered owner and holder of the global note.

Broadridge expects that DTC or its nominee, upon receipt of any payment of principal, premium, if any, or interest in respect of a global note, will credit participants’ accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the global note as shown on the records of DTC or its nominee. Broadridge also expects that payments by participants to owners of beneficial interests in the global note held through such participants will be governed by standing instructions and customary practices as is now the case with securities held for accounts for customers registered in the names of nominees for such customers. These payments, however, will be the responsibility of such participants and indirect participants, and neither Broadridge, the underwriters, the

trustee nor any paying agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in any global note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests or for any other aspect of the relationship between DTC and its participants or the relationship between such participants and the owners of beneficial interests in the global note.

Unless and until it is exchanged in whole or in part for certificated notes, each global note may not be transferred except as a whole by DTC to a nominee of DTC or by a nominee of DTC to DTC or another nominee of DTC. Transfers between participants in DTC will be effected in the ordinary way in accordance with DTC rules and will be settled in same-day funds.

Broadridge expects that DTC will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described below) only at the direction of one or more participants to whose account the DTC interests in a global note are credited and only in respect of such portion of the aggregate principal amount of the applicable Notes as to which such participant or participants has or have given such direction.

Although Broadridge expects that DTC will agree to the foregoing procedures in order to facilitate transfers of interests in each global note among participants of DTC, DTC is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither Broadridge, the underwriters, nor the trustee will have any responsibility for the performance or nonperformance by DTC or their participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Certificated securities may be issued in exchange for beneficial interests in the global notes under certain circumstances, including (i) if an event of default shall have occurred and be continuing with respect to the applicable Notes, (ii) if DTC is at any time unwilling or unable to continue as a depository for the global notes and a successor depository is not appointed by us within 90 days or (iii) at any time Broadridge determines, in its sole discretion, that the applicable Notes or portions thereof issued or issuable in the form of one or more global notes shall no longer be represented by such global note. These certificated notes will be registered in such name or names as DTC shall instruct the trustee. It is expected that such instructions may be based upon directions received by DTC from participants with respect to ownership of beneficial interests in global securities.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Broadridge believes to be reliable, but Broadridge does not take responsibility for its accuracy.

#### *Euroclear and Clearstream, Luxembourg*

If the depository for a global security is DTC, you may hold interests in the global notes through Clearstream Banking, S.A. ("**Clearstream**,"), or Euroclear Bank SA/NV, as operator of the Euroclear System ("**Euroclear**,"), in each case, as a participant in DTC. Euroclear and Clearstream will hold interests, in each case, on behalf of their participants through customers' securities accounts in the names of Euroclear and Clearstream on the books of their respective depositories, which in turn will hold such interests in customers' securities in the depositories' names on DTC's books.

Payments, deliveries, transfers, exchanges, notices and other matters relating to the Notes made through Euroclear or Clearstream must comply with the rules and procedures of those systems. Those

systems could change their rules and procedures at any time. Broadridge has no control over those systems or their participants, and it takes no responsibility for their activities. Transactions between participants in Euroclear or Clearstream, on the one hand, and other participants in DTC, on the other hand, would also be subject to DTC's rules and procedures.

Investors will be able to make and receive through Euroclear and Clearstream payments, deliveries, transfers, exchanges, notices and other transactions involving any securities held through those systems only on days when those systems are open for business. Those systems may not be open for business on days when banks, brokers and other institutions are open for business in the United States.

In addition, because of time-zone differences, U.S. investors who hold their interests in the Notes through these systems and wish, on a particular day, to transfer their interests, or to receive or make a payment or delivery or exercise any other right with respect to their interests, may find that the transaction will not be effected until the next business day in Luxembourg or Brussels, as applicable. Thus, investors who wish to exercise rights that expire on a particular day may need to act before the expiration date. In addition, investors who hold their interests through both DTC and Euroclear or Clearstream may need to make special arrangements to finance any purchase or sales of their interests between the U.S. and European clearing systems, and those transactions may settle later than transactions within one clearing system.

**BROADRIDGE**

**EXECUTIVE RETIREMENT AND SAVINGS PLAN**

**(Amended and Restated Effective as of January 1, 2019)**

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**BROADRIDGE EXECUTIVE RETIREMENT AND SAVINGS PLAN****(Amended and Restated Effective as of January 1, 2019)**

Broadridge Financial Solutions, Inc. hereby amends and restates the Broadridge Executive Retirement and Savings Plan, effective January 1, 2019. The purpose of the Broadridge Executive Retirement and Savings Plan is to provide specified deferred compensation benefits to a select group of United States based management or highly compensated employees who contribute materially to the continued growth, development and future business success of the Company and its subsidiaries.

**ARTICLE I****DEFINITIONS**

1.1 “**Account Balance**” shall mean, with respect to a Participant, an entry on the records of the Employer equal to the sum of the Participant’s Annual Accounts. The Account Balance shall be a bookkeeping entry only and shall be utilized solely as a device for the measurement and determination of the amounts to be paid to a Participant, or his or her designated Beneficiary, pursuant to the Plan.

1.2 “**Annual Account**” shall mean, with respect to a Participant, an entry on the records of the Employer equal to (a) the sum of the Participant’s Annual Deferral Amount, Annual Company Restoration Matching Contribution Amount, Annual Company Restoration Basic Contribution Amount and Annual Company Additional Contribution Amount (or, if applicable, the Company transition contribution amount as provided under Section 3.10) for any one Plan Year, plus (b) amounts credited or debited to such amounts pursuant to the Plan, less (c) all distributions made to the Participant or his or her Beneficiary pursuant to the Plan that relate to the Annual Account for such Plan Year. The Annual Account shall be a bookkeeping entry only and shall be utilized solely as a device for the measurement and determination of the amounts to be paid to a Participant, or his or her designated Beneficiary, pursuant to the Plan.

1.3 “**Annual Company Additional Contribution Amount**” shall mean, for any one Plan Year, the amount determined in accordance with Section 3.6.

1.4 “**Annual Company Restoration Basic Contribution Amount**” shall mean, for any one Plan Year, the amount determined in accordance with Section 3.5.

1.5 “**Annual Company Restoration Matching Contribution Amount**” shall mean, for any one Plan Year, the amount determined in accordance with Section 3.4.

1.6 “**Annual Deferral Amount**” shall mean that portion of a Participant’s Base Salary and Bonus that a Participant defers in accordance with Article III from any one Plan Year, without regard to whether such amounts are withheld and credited during such Plan Year.

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1.7 “**Annual Installment Method**” shall mean the method used to determine the amount of each payment due to a Participant who has elected to receive a benefit over a period of years in accordance with the applicable provisions of the Plan. The amount of each annual payment due to the Participant shall be calculated by multiplying the balance of the Participant’s benefit by a fraction, the numerator of which is one and the denominator of which is the remaining number of annual payments due to the Participant. The amount of the first annual payment shall be calculated as of the close of business on or around the Participant’s Benefit Distribution Date, and the amount of each subsequent annual payment shall be calculated on or around the first business day of each Plan Year following the Plan Year in which the Participant’s Benefit Distribution Date occurs. For purposes of the Plan, the right to receive a benefit payment in annual installments shall be treated as the entitlement to a single payment.

1.8 “**Base Salary**” shall mean, for any one Plan Year, a Participant’s base salary for services performed in such Plan Year.

1.9 “**Beneficiary**” or “**Beneficiaries**” shall mean one or more persons, trusts, estates or other entities, designated in accordance with Article X, that are entitled to receive benefits under the Plan upon a Participant’s death.

1.10 “**Beneficiary Designation Form**” shall mean the form established from time to time by the Committee that a Participant completes, signs and returns to the Committee to designate one or more Beneficiaries.

1.11 “**Benefit Distribution Date**” shall mean the date upon which all or an objectively determinable portion of a Participant’s vested benefits will become eligible for distribution. Except as otherwise provided in the Plan, a Participant’s Benefit Distribution Date shall be determined based on the earliest to occur of an event or scheduled date set forth in Articles IV through IX, as applicable.

1.12 “**Board**” shall mean the Board of Directors of the Company.

1.13 “**Bonus**” shall mean, for any one Bonus Year, a Participant’s annual bonus with respect to the Bonus Year, of which no amount is paid or payable during such Bonus Year and which otherwise constitutes “fiscal year compensation” within the meaning of Treasury Regulation Section 1.409A-2(a)(6). Notwithstanding anything to the contrary in this Plan, Bonus shall not include commissions.

1.14 “**Bonus Year**” shall mean a period beginning on July 1 of a calendar year and continuing through June 30 of the following calendar year.

1.15 “**Change in Control**” shall mean the occurrence of a “change in the ownership,” a “change in the effective control” or a “change in the ownership of a substantial portion of the assets” of the Company, in each case as determined in accordance with Treasury Regulation Section 1.409A-3(i)(5).

1.16 “**Change in Control Benefit**” shall have the meaning set forth in Article V.

1.17 “**Claimant**” shall have the meaning set forth in Section 14.1.

1.18 “**Code**” shall mean the Internal Revenue Code of 1986, as amended, as interpreted by Treasury Regulations and applicable authorities promulgated thereunder.

1.19 “**Committee**” shall mean the Retirement Committee appointed by the Compensation Committee to administer the Plan in accordance with Article XIII.

1.20 “**Company**” shall mean Broadridge Financial Solutions, Inc. and any successor to all or substantially all of the Company’s assets or business.

1.21 “**Compensation**” shall mean Compensation as defined in the 401(k) Plan.

1.22 “**Compensation Committee**” shall mean the Compensation Committee of the Company’s Board of Directors.

1.23 “**Death Benefit**” shall mean the benefit set forth in Article IX.

1.24 “**Delay Period**” shall have the meaning set forth in Section 16.18.

1.25 “**Disability**” or “**Disabled**” shall mean, as determined by the Committee in accordance with Treasury Regulation Section 1.409A-3(i)(4), that a Participant is (a) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (b) by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering employees of the Participant’s Employer. For purposes of the Plan, a Participant shall be deemed Disabled if determined to be totally disabled by the Social Security Administration. A Participant shall also be deemed Disabled if determined to be disabled in accordance with the applicable disability insurance program of such Participant’s Employer, provided that the definition of “disability” applied under such disability insurance program complies with the requirements of this Section.

1.26 “**Disability Benefit**” shall mean the benefit set forth in Article VIII.

1.27 “**Election Form**” shall mean the form, which may be in electronic format, established from time to time by the Committee that a Participant completes, signs and returns to the Committee to make an election under the Plan.

1.28 “**Eligible Compensation**” shall mean, for any one Plan Year, a Participant’s Compensation, excluding commissions, but including Base Salary and Bonus deferred under the



Plan that would otherwise qualify as Compensation for the Plan Year, without regard to the limitation under Code Section 401(a) (17) (as may be adjusted from time to time).

1.29 “**Employee**” shall mean a person who is a common law employee on the books and records of the Employer.

1.30 “**Employer(s)**” shall be defined as follows:

(a) Except as otherwise provided in Section 1.30(b) below, the term “Employer” shall mean the Company and/or any of its subsidiaries (now in existence or hereafter formed or acquired) that have been selected by the Board to participate in the Plan and have adopted the Plan as a sponsor.

(b) For the purpose of determining whether a Participant has experienced a Separation from Service, the term “Employer” shall mean:

(i) The entity for which the Participant performs services and with respect to which the legally binding right to compensation deferred or contributed under the Plan arises; and

(ii) All other entities with which the entity described above would be aggregated and treated as a single employer under Code Section 414(b) (controlled group of corporations) and Code Section 414(c) (a group of trades or businesses, whether or not incorporated, under common control), as applicable. In order to identify the group of entities described in the preceding sentence, the Committee shall use an ownership threshold of at least 50% as a substitute for the 80% minimum ownership threshold that appears in, and otherwise must be used when applying, the applicable provisions of (A) Code Section 1563 for determining a controlled group of corporations under Code Section 414(b), and (B) Treasury Regulation Section 1.414(c)-2 for determining the trades or businesses that are under common control under Code Section 414(c).

1.31 “**ERISA**” shall mean the Employee Retirement Income Security Act of 1974, as amended, including Department of Labor and Treasury regulations and applicable authorities promulgated thereunder.

1.32 “**401(k) Plan**” shall mean the Broadridge Financial Solutions, Inc. Retirement Savings Plan, as it may be amended from time to time, or any successor thereto.

1.33 “**Limited Cashout**” shall have the meaning set forth in Section 4.3.

1.34 “**Measurement Funds**” shall have the meaning set forth in Section 3.8(a).

1.35 “**Participant**” shall mean any Employee (a) who is eligible to participate in the Plan under Section 2.1, (b) who enrolls in the Plan in accordance with Section 2.2, and (c) whose executed Election Form and Beneficiary Designation Form are accepted by the Committee.

1.36 “**Performance-Based Compensation**” shall mean compensation the amount of or entitlement to which is contingent on satisfaction of pre-established organizational or individual performance criteria relating to a performance period of at least twelve (12) consecutive months for which the outcome is substantially uncertain at the time the criteria are established, which performance criteria are established in writing by not later than ninety (90) days after the commencement of the performance period, and which meets the other requirements set forth in Treasury Regulation Section 1.409A-1(e).

1.37 “**Plan**” shall mean the Broadridge Executive Retirement and Savings Plan, which shall be evidenced by this instrument, as it may be amended from time to time.

1.38 “**Plan Year**” shall mean a period beginning on January 1 of each calendar year and continuing through December 31 of such calendar year.

1.39 “**Retirement**,” “**Retire(s)**” or “**Retired**” shall mean with respect to a Participant a Separation from Service on or after the date on which such Participant is at least fifty-five (55) years old with at least five (5) Years of Service.

1.40 “**Retirement Benefit**” shall mean the benefit set forth in Article VI.

1.41 “**Scheduled Distribution**” shall mean the distribution set forth in Section 4.1.

1.42 “**Separation from Service**” shall mean a termination of services provided by a Participant to his or her Employer, whether voluntarily or involuntarily, other than by reason of death or Disability, as determined by the Committee in accordance with Treasury Regulation Section 1.409A-1(h). In determining whether a Participant has experienced a Separation from Service, the following provisions shall apply:

(a) For a Participant who provides services to an Employer as an employee, a Separation from Service shall occur when such Participant has experienced a termination of employment with such employer. A Participant shall be considered to have experienced a termination of employment when the facts and circumstances indicate that the Participant and his or her employer reasonably anticipate that either (i) no further services will be performed for the employer after a certain date, or (ii) that the level of bona fide services the Participant will perform for the employer after such date (whether as an employee or as an independent contractor) will permanently decrease to no more than 20% of the average level of bona fide services performed by such Participant (whether as an employee or an independent contractor) over the immediately preceding 36-month period (or the full period of services to the employer if the Participant has been providing services to the Employer less than 36 months).

(b) If a Participant is on military leave, sick leave, or other bona fide leave of absence, the employment relationship between the Participant and the Employer shall be treated as continuing intact, provided that the period of such leave does not exceed 6 months, or if longer, so long as the Participant retains a right to reemployment with the Employer under an applicable statute or by contract. If the period of a military leave, sick leave, or other bona fide leave of absence

exceeds six (6) months and the Participant does not retain a right to reemployment under an applicable statute or by contract, the employment relationship shall be considered to be terminated for purposes of the Plan as of the first day immediately following the end of such 6-month period. In applying the provisions of this paragraph, a leave of absence shall be considered a bona fide leave of absence only if there is a reasonable expectation that the Participant will return to perform services for the Employer.

(c) If a Participant provides services for an Employer as both an employee and as a director, to the extent permitted by Treasury Regulation Section 1.409A-1(h)(5) the services provided by such Participant as a director shall not be taken into account in determining whether the Participant has experienced a Separation from Service as an employee, and the services provided by such Participant as an employee shall not be taken into account in determining whether the Participant has experienced a Separation from Service as a director.

1.43 “**Specified Employee**” shall mean any Participant who is determined to be a “specified employee” within the meaning of Code Section 409A(a)(2)(B)(i) and the Treasury Regulations thereunder, for the applicable period.

1.44 “**Termination Benefit**” shall mean the benefit set forth in Article VII.

1.45 “**Trust**” shall mean one or more trusts established by the Company, acting through the Committee, in accordance with Article XV.

1.46 “**Trustee**” shall mean the Trustee as defined in the Trust.

1.47 “**Unforeseeable Emergency**” shall mean a severe financial hardship of the Participant resulting from (a) an illness or accident of the Participant, the Participant’s spouse, the Participant’s Beneficiary or the Participant’s dependent (as defined in Code Section 152 without regard to paragraphs (b)(1), (b)(2) and (d)(1)(b) thereof), (b) a loss of the Participant’s property due to casualty, or (c) such other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, all as determined by the Committee (or its delegate) based on the relevant facts and circumstances.

1.48 “**Years of Service**” shall mean Vesting Service as defined in the 401(k) Plan.

## ARTICLE II

### **PARTICIPATION**

#### 2.1 **Eligibility.**

(a) Unless otherwise determined by the Committee and set forth in writing in accordance with uniform procedures established by the Committee in its sole discretion, any United States based Employee of the Company or one of its subsidiaries who is appointed by the Board as a corporate vice president or more senior corporate officer of the Company or is appointed to a

position in Executive Level D, Executive Level E, Executive Level F, Executive Level G or Executive Level H, shall be eligible to participate in the Plan effective on the first day of the next calendar quarter and to elect to defer Base Salary or Bonus under Section 3.1.

(b) Unless otherwise determined by the Committee and set forth in writing in accordance with uniform procedures established by the Committee in its sole discretion, any United States based Employee of the Company or one of its subsidiaries who is appointed by the Board as a corporate vice president or more senior corporate officer of the Company on or after January 1, 2014, is appointed to a position in Executive Level D on or after January 1, 2014 (or, if the Employee did not accrue a benefit under the Broadridge Financial Solutions, Inc. Supplemental Officers Retirement Plan or the Broadridge Financial Solutions, Inc. Supplemental Executive Retirement Plan as of December 31, 2014, on or before December 31, 2014), or is in Executive Level E, Executive Level F, Executive Level G or Executive Level H, shall be eligible to receive an Annual Company Restoration Matching Contribution Amount under Section 3.4 and an Annual Company Restoration Basic Contribution Amount under Section 3.5 (or, if applicable, a Company transition contribution amount as provided under Section 3.10) after being employed with the Company for a period of service (i) at least as long as is required to be eligible for a “matching employer contribution” under the 401(k) Plan in the case of an Annual Company Restoration Matching Contribution Amount and (ii) at least as long as is required to be eligible for an “employer non-elective contribution” under the 401(k) Plan in the case of an Annual Company Restoration Basic Contribution Amount.

(c) Unless otherwise determined by the Committee and set forth in writing in accordance with uniform procedures established by the Committee in its sole discretion, any United States based Employee of the Company or one of its subsidiaries who is appointed by the Board as a corporate vice president or more senior corporate officer of the Company on or after January 1, 2014, or is appointed to a position in Executive Level D on or after January 1, 2014 (or, if the Employee did not accrue a benefit under the Broadridge Financial Solutions, Inc. Supplemental Officers Retirement Plan or the Broadridge Financial Solutions, Inc. Supplemental Executive Retirement Plan as of December 31, 2014, on or before December 31, 2014) shall be eligible to receive an Annual Company Additional Contribution Amount under Section 3.6 after being employed with the Company for a period of service at least as long in duration as is required to be eligible for an “employer non-elective contribution” under the 401(k) Plan in the case of an Annual Company Additional Contribution Amount.

2.2 **Enrollment.** As a condition of participation, an Employee who is eligible to participate in the Plan under Section 2.1 shall complete, execute and return to the Committee an Election Form and a Beneficiary Designation Form by the deadline(s) established by the Committee in accordance with the applicable provisions of Section 3.2. In addition, the Committee shall establish from time to time such other enrollment requirements as it determines, in its sole discretion, are necessary or appropriate. An eligible Employee who fails to timely meet the enrollment requirements under this Section 2.2 shall not be eligible to participate in the Plan until such time as determined by the Committee consistent with complying with Section 409A of the Code.

2.3 **Commencement of Participation.** Each Employee who is eligible to participate in the Plan under Section 2.1 shall commence participation on the date that the Committee determines that such Employee has met all enrollment requirements set forth in the Plan and required by the Committee, including returning all required documents to the Committee within the specified time period.

2.4 **Termination of Participation.** An Employee eligible to participate in the Plan under Section 2.1 shall remain a Participant until his or her entire vested Account Balance is distributed. However, an eligible Employee who has become a Participant may or may not be an active Participant who is eligible to defer Base Salary, Bonus or both for a particular Plan Year or Bonus Year, or eligible to receive an Annual Company Restoration Matching Contribution Amount, an Annual Company Restoration Basic Contribution Amount or an Annual Company Additional Contribution Amount (or, if applicable, the Company transition contribution amount as provided under Section 3.10) for a particular Plan Year, depending upon whether he or she has made timely and proper deferral elections under Article III for compensation otherwise payable in such Plan Year or ceased to be eligible to participate in the Plan or a portion thereof.

### ARTICLE III

#### **CONTRIBUTIONS & DEFERRAL ELECTIONS**

3.1 **Annual Deferral Amounts; Maximum and Minimum Base Salary and Bonus Deferrals.** A Participant may elect to defer, for each Plan Year, up to 50 percent of the Participant's Base Salary and, for each Bonus Year, up to 100 percent of the Participant's Bonus. Elections to defer Base Salary shall take the form of a whole percentage. Elections to defer Bonus shall take the form of a flat dollar amount or a whole percentage. Notwithstanding the foregoing, if a Participant first becomes a Participant after the first day of a Plan Year or Bonus Year, then to the extent required by Section 3.2 and Section 409A of the Code and related Treasury Regulations, the maximum amount of the Participant's Base Salary and Bonus that may be deferred by the Participant for the Plan Year or Bonus Year, as applicable, shall be determined by applying the percentages set forth above to the portion of such Base Salary and Bonus attributable to services performed after the date that the Participant's deferral election is made.

3.2 **Timing of Deferral Elections; Effect of Participant Election(s).**

(a) **General Timing Rule for Deferral Elections.** Except as otherwise provided in this Section 3.2, in order for a Participant to make a valid election to defer Base Salary or Bonus, the Participant must submit an Election Form on or before the deadline established by the Committee, which shall be no later than (i) in the case of an election to defer Base Salary, the December 31st preceding the Plan Year in which such Base Salary will be earned or (ii) in the case of an election to defer Bonus, the June 30th preceding the Bonus Year for which such Bonus will be earned. Any deferral election made in accordance with this Section 3.2(a) shall be irrevocable; provided, however, that if the Committee permits or requires Participants to make a deferral election by the deadline described above for a Bonus that qualifies as Performance-Based Compensation, the Committee

may permit a Participant to subsequently change his or her deferral election for such Bonus by submitting a new Election Form in accordance with Section 3.2(c) below.

(b) **Timing of Deferral Elections for New Plan Participants.** An Employee who first becomes eligible to participate in the Plan in accordance with Section 2.1(a) on or after the beginning of a Plan Year or Bonus Year, as determined in accordance with Treasury Regulation Section 1.409A-2(a)(7)(ii) and the “plan aggregation” rules provided in Treasury Regulation Section 1.409A-1(c)(2), may be permitted to make an election to defer the portion of Base Salary and Bonus attributable to services to be performed after such election, provided that the Participant submits Election Form(s) on or before the deadline established by the Committee, which in no event shall be later than 30 days after the Participant first becomes eligible to participate in the Plan. If a deferral election made in accordance with this Section 3.2(b) relates to Bonus earned based upon a specified performance period, the amount eligible for deferral shall be equal to (i) the total amount of such Bonus for the performance period, multiplied by (ii) a fraction, the numerator of which is the number of days remaining in the service period after the Participant’s deferral election is made, and the denominator of which is the total number of days in the performance period. Any deferral election made in accordance with this Section 3.2(b) shall become irrevocable no later than the 30th day after the date the Participant first becomes eligible to participate in the Plan.

(c) **Timing of Deferral Elections for Performance-Based Compensation.** Subject to the limitations described below, the Committee may determine that an irrevocable deferral election for a Bonus that qualifies as Performance-Based Compensation may be made by submitting Election Form(s) on or before the deadline established by the Committee, which in no event shall be later than 6 months before the end of the performance period. In order for a Participant to be eligible to make a deferral election for Performance-Based Compensation in accordance with the deadline established pursuant to this Section 3.2(c), the Participant must have performed services continuously from the later of (i) the beginning of the performance period for such Performance-Based Compensation, or (ii) the date upon which the performance criteria for such compensation are established, through the date upon which the Participant makes the deferral election for such Performance-Based Compensation. In no event shall a deferral election submitted under this Section 3.2(c) be permitted to apply to any amount of Bonus that has become readily ascertainable.

(d) **Separate Deferral Elections for Each Year.** In order to defer Base Salary and Bonus with respect to a particular Plan Year or Bonus Year, a Participant must submit a separate deferral election with respect to Base Salary and Bonus for such Plan Year or Bonus Year by affirmatively filing an Election Form during the enrollment period established by the Committee prior to the beginning of such Plan Year or Bonus Year (or at such other time contemplated under this Section 3.2), which election shall be effective on the first day of the next following Plan Year or Bonus Year (unless otherwise specified on the Election Form).

3.3 **Withholding and Crediting of Annual Deferral Amounts.** For each Plan Year, the Base Salary portion of the Annual Deferral Amount shall be withheld from each regularly scheduled Base Salary payroll in equal amounts, as adjusted from time to time for increases and decreases in Base Salary. The Bonus portion of the Annual Deferral Amount shall be withheld at the time the Bonus is or otherwise would be paid to the Participant, whether or not this occurs during

the Plan Year itself. Annual Deferral Amounts shall be credited to the Participant's Annual Account for a Plan Year at the time such amounts would otherwise have been paid to the Participant.

**3.4 Annual Company Restoration Matching Contribution Amounts.** Subject to Section 3.10, a Participant's Annual Company Restoration Matching Contribution Amount, if any, for a Plan Year shall be equal to the additional matching employer contribution the Company would have otherwise credited to the Participant's account in the 401(k) Plan, assuming that the Participant's Annual Deferral Amount for such Plan Year had instead been contributed to the 401(k) Plan and the limitation under Code Section 401(a)(17) did not apply (except that (i) a Participant must defer the maximum amount under the 401(k) Plan permitted under Code Section 402(g) (as may be adjusted from time to time) for the Plan Year to be eligible for an Annual Company Restoration Matching Contribution Amount and (ii) the Annual Company Restoration Matching Contribution Amount shall be determined as a set percentage (as set forth under the 401(k) Plan for a particular Plan Year, taking into account whether a Participant is a long service participant (as defined under the 401(k) Plan)) of Eligible Compensation (not to exceed the first six percent (6%) of Eligible Compensation (including the portion of a Participant's Base Salary and Bonus that is deferred under the Plan) in excess of the lesser of (a) the limitation under Code Section 401(a)(17) (as may be adjusted from time to time) or (b) Compensation under the 401(k) Plan (excluding commissions)) contributed pursuant to a deferral election under the Plan). By way of illustration, Supplement A of the Plan sets forth a sample calculation of the Annual Company Restoration Matching Contribution Amount. The Participant's Annual Company Restoration Matching Contribution Amount, if any, shall be credited to the Participant's Annual Account on or around April 1st of the Plan Year following the Plan Year to which the Annual Company Restoration Matching Contribution Amount relates. No Annual Company Restoration Matching Contribution Amount shall be credited for a Plan Year unless the Participant is an active Employee on December 31 of the Plan Year, except that a Participant who retires prior to December 31 of the Plan Year and on or after the date the Participant attains age 65 shall be eligible to receive an Annual Company Restoration Matching Contribution Amount determined based on the Participant's Eligible Compensation as of the date of retirement for the Plan Year. The Plan shall be interpreted in a manner which is consistent with the anti-conditioning rules under Section 401(k)(4) of the Code and election rules under Section 409A of the Code and Treasury Regulation Section 1.409A-2(a)(9).

**3.5 Annual Company Restoration Basic Contribution Amounts.** Subject to Section 3.10, a Participant's Annual Company Restoration Basic Contribution Amount, if any, for a Plan Year shall be equal to the additional "employer non-elective contribution" the Company would have otherwise credited to the Participant's account in the 401(k) Plan, assuming that the Participant's Annual Deferral Amount for such Plan Year had instead been contributed to the 401(k) Plan and the limitation under Code Section 401(a)(17) did not apply (except that the Annual Company Restoration Basic Contribution Amount shall be determined under a formula using the percentage (as set forth under the 401(k) Plan for a particular Plan Year, taking into account the Participant's years of service (as defined under the 401(k) Plan)) of Eligible Compensation (including the portion of a Participant's Base Salary and Bonus that is deferred under the Plan) in excess of the lesser of (a) the limitation under Code Section 401(a)(17) (as may be adjusted from time to time) or (b) Compensation under the 401(k) Plan (excluding commissions)). By way of illustration, Supplement A of the Plan sets forth a sample calculation of the Annual Company Restoration Basic

Contribution Amount. The Participant's Annual Company Restoration Basic Contribution Amount, if any, shall be credited to the Participant's Annual Account on or around April 1st of the Plan Year following the Plan Year to which the Annual Company Restoration Basic Contribution Amount relates. No Annual Company Restoration Basic Contribution Amount shall be credited for a Plan Year unless the Participant is an active Employee on December 31 of the Plan Year, except that a Participant who retires prior to December 31 of the Plan Year and on or after the date the Participant attains age 65 shall be eligible to receive an Annual Company Restoration Basic Contribution Amount determined based on the Participant's Eligible Compensation as of the date of retirement for the Plan Year. The Plan shall be interpreted in a manner which is consistent with the anti-conditioning rules under Section 401(k)(4) of the Code and election rules under Section 409A of the Code and Treasury Regulation Section 1.409A-2(a)(9).

3.6 **Annual Company Additional Contribution Amount.** A Participant's Annual Company Additional Contribution Amount, if any, contributed by the Company for a Plan Year shall be equal to three percent (3%) of Eligible Compensation. The Participant's Annual Company Additional Contribution Amount, if any, shall be credited to the Participant's Annual Account on or around April 1st of the Plan Year following the Plan Year to which the Annual Company Additional Contribution Amount relates. No Annual Company Additional Contribution Amount shall be credited for a Plan Year unless the Participant is an active Employee on December 31 of the Plan Year, except that a Participant who retires prior to December 31 of the Plan Year and on or after the date the Participant attains age 65 shall be eligible to receive an Annual Company Additional Contribution Amount determined based on the Participant's Eligible Compensation as of the date of retirement for the Plan Year. The Plan shall be interpreted in a manner which is consistent with the anti-conditioning rules under Section 401(k)(4) of the Code and election rules under Section 409A of the Code and Treasury Regulation Section 1.409A-2(a)(9).

### 3.7 **Vesting.**

(a) A Participant shall at all times be 100% vested in the portion of his or her Account Balance attributable to Annual Deferral Amounts, plus amounts credited or debited on such amounts pursuant to Section 3.8.

(b) A Participant shall be vested in the portion of his or her Account Balance attributable to any Annual Company Restoration Matching Contribution Amounts and Annual Company Restoration Basic Contribution Amounts, plus amounts credited or debited on such amounts pursuant to Section 3.8, only to the extent that the Participant would be vested in such amounts under the provisions of the 401(k) Plan had such amounts been "matching employer contributions" or "employer non-elective contributions" under the 401(k) Plan.

(c) A Participant shall be vested in the portion of his or her Account Balance attributable to any Annual Company Additional Contribution Amounts, plus amounts credited or debited on such amounts pursuant to Section 3.8, only to the extent that the Participant would be vested in such amounts under the provisions of the 401(k) Plan had such amounts been "non-elective contributions" under the 401(k) Plan.



(d) A Participant shall at all times be 100% vested in the portion of his or her Account Balance attributable to Company transition contribution amounts as provided under Section 3.10, plus amounts credited or debited on such amounts pursuant to Section 3.8.

3.8 **Crediting/Debiting of Account Balances.** In accordance with, and subject to, the rules and procedures that are established from time to time by the Committee, in its sole discretion, amounts shall be credited or debited to a Participant's Account Balance in accordance with the following rules:

(a) **Measurement Funds.** The Participant may elect one or more of the measurement funds selected by the Committee (or its delegate), in its sole discretion, which are based on certain mutual funds (the "**Measurement Funds**"), for the purpose of crediting or debiting additional amounts to his or her Account Balance. As necessary, the Committee (or its delegate) may, in its sole discretion, discontinue, substitute or add a Measurement Fund. The discontinuance or substitution of any Measurement Fund will take effect 30 days after the day on which the Company gives Participants advance written notice of such change. The addition of any new Measurement Fund will take effect on the day on which the Company gives Participants written notice of such change.

(b) **Election of Measurement Funds.** A Participant, in connection with his or her initial deferral election in accordance with Section 3.2, shall elect, on the Election Form, one or more Measurement Fund(s) to be used to determine the amounts to be credited or debited to his or her Account Balance. If a Participant does not elect any of the Measurement Funds described in Section 3.8(a), the Participant's Account Balance shall automatically be allocated into the lowest-risk Measurement Fund, as determined by the Committee, in its sole discretion. The Participant may (but is not required to) elect, by submitting an Election Form to the Committee that is accepted by the Committee, to add or delete one or more Measurement Fund(s) to be used to determine the amounts to be credited or debited to his or her Account Balance, or to change the portion of his or her Account Balance allocated to each previously or newly elected Measurement Fund. If an election is made in accordance with the previous sentence, it shall apply as of the first business day deemed reasonably practicable by the Committee, in its sole discretion, and shall continue thereafter for each subsequent day in which the Participant participates in the Plan, unless changed in accordance with the previous sentence. Notwithstanding the foregoing, the Committee, in its sole discretion, may impose limitations on the frequency with which one or more of the Measurement Funds elected in accordance with this Section 3.8(b) may be added or deleted by such Participant; furthermore, the Committee, in its sole discretion, may impose limitations on the frequency with which the Participant may change the portion of his or her Account Balance allocated to each previously or newly elected Measurement Fund.

(c) **Proportionate Allocation.** In making any election described in Section 3.8(b) above, the Participant shall specify on the Election Form, in increments of one percent (1%), the percentage of his or her Account Balance or Measurement Fund(s), as applicable, to be allocated/reallocated.

(d) **Crediting or Debiting Method**. The performance of each Measurement Fund (either positive or negative) will be determined on a daily basis based on the manner in which such Participant's Account Balance has been hypothetically allocated among the Measurement Funds selected by the Participant.

(e) **No Actual Investment**. Notwithstanding any other provision of the Plan that may be interpreted to the contrary, the Measurement Funds are to be used for measurement purposes only, and a Participant's election of any such Measurement Fund, the allocation of his or her Account Balance thereto, the calculation of additional amounts and the crediting or debiting of such amounts to a Participant's Account Balance shall not be considered or construed in any manner as an actual investment of his or her Account Balance in any such Measurement Fund. In the event that the Company or the Trustee, in its own discretion, decides to invest funds in any or all of the investments on which the Measurement Funds are based, no Participant shall have any rights in or to such investments themselves. Without limiting the foregoing, a Participant's Account Balance shall at all times be a bookkeeping entry only and shall not represent any investment made on his or her behalf by the Company or the Trust; the Participant shall at all times remain an unsecured creditor of the Company.

3.9 **Withholding**. To the extent required by law, the Company shall be entitled to withhold from any payments due hereunder any federal, state and local taxes required to be withheld in connection with such payment.

3.10 **Company Transition Contribution Amount**. Notwithstanding Sections 3.4 and 3.5, a United States based Employee of the Company or one of its subsidiaries who is in Executive Level E or Executive Level F and participated in the Broadridge Financial Solutions, Inc. Executive Deferred Compensation Program for the 2014 calendar year, and who defers at least six percent (6%) of his Eligible Compensation to the 401(k) Plan and the Plan, shall receive a Company transition contribution amount under the Plan equal to the greater of either (a) the sum of the Annual Company Restoration Matching Contribution Amount under Section 3.4 and the Annual Company Restoration Basic Contribution Amount under Section 3.5, or (b) the amount of the company matching credit under the Broadridge Financial Solutions, Inc. Executive Deferred Compensation Program for the 2014 calendar year. An individual who receives a Company transition contribution amount under this Section 3.10 shall not receive an Annual Company Restoration Matching Contribution Amount under Section 3.4 or an Annual Company Restoration Basic Contribution Amount under Section 3.5. No Company Transition contribution amount shall be credited under this Section 3.10 unless the Participant is an active Employee on December 31 of the Plan Year, except that a Participant who retires prior to December 31 of the Plan Year and on or after the date the Participant attains age 65 shall be eligible to receive a prorated Company transition contribution amount determined as of the date of retirement for the Plan Year.

## ARTICLE IV

### **SCHEDULED DISTRIBUTIONS; UNFORESEEABLE EMERGENCIES**

4.1 **Scheduled Distributions.** In connection with each election to defer an Annual Deferral Amount, a Participant may elect to receive all or a portion of his or her vested Annual Account, plus amounts credited or debited on that amount under Section 3.8, in the form of a lump sum payment or pursuant to an Annual Installment Method of up to 15 years (or, in the event no payment form is elected, in the default form of a lump sum payment), calculated as of the close of business on or around the Benefit Distribution Date designated by the Participant in accordance with this Section 4.1 (a “Scheduled Distribution”). The Benefit Distribution Date for the amount subject to a Scheduled Distribution election shall be the first day of any Plan Year designated by the Participant, which may be no sooner than three (3) Plan Years after the end of the Plan Year to which the Participant’s deferral election relates, unless otherwise provided on an Election Form approved by the Committee. Subject to the other terms and conditions of the Plan, each Scheduled Distribution elected shall be paid out during a 60-day period commencing immediately after the Benefit Distribution Date. By way of example, if a Scheduled Distribution is elected for Annual Deferral Amounts that are earned in the Plan Year commencing January 1, 2015, the earliest Benefit Distribution Date that may be designated by a Participant would be January 1, 2019, and the Scheduled Distribution would be paid out during the 60-day period commencing immediately after such Benefit Distribution Date.

4.2 **Postponing Scheduled Distributions.** A Participant may elect to postpone a Scheduled Distribution described in Section 4.1, and have such amount paid out during a 60-day period commencing immediately after an allowable alternative Benefit Distribution Date designated in accordance with this Section 4.2. In order to make such an election, the Participant must submit an Election Form to the Committee in accordance with the following criteria:

- (a) The election of the new Benefit Distribution Date shall have no effect until at least 12 months after the date on which the election is made;
- (b) The new Benefit Distribution Date selected by the Participant for such Scheduled Distribution must be the first day of a Plan Year that is no sooner than 5 years after the previously designated Benefit Distribution Date; and
- (c) The election must be made at least 12 months prior to the Participant’s previously designated Benefit Distribution Date for such Scheduled Distribution.

For purposes of applying the provisions of this Section 4.2, a Participant’s election to postpone a Scheduled Distribution shall not be considered to be made until the date on which the election becomes irrevocable. Such an election shall become irrevocable no later than the date that is 12 months prior to the Participant’s previously designated Benefit Distribution Date for such Scheduled Distribution.

4.3 **Other Benefits Take Precedence Over Scheduled Distributions**. Should an event occur prior to any Benefit Distribution Date designated for a Scheduled Distribution that would trigger a benefit under Articles V through IX, as applicable, all amounts subject to a Scheduled Distribution election shall be paid in accordance with the other applicable provisions of the Plan and not in accordance with this Article IV. Notwithstanding any other provision of the Plan to the contrary, the Committee may, in its sole discretion, distribute in a mandatory lump sum any Participant's entire Account Balance, provided that any such distribution is made in accordance with the requirements of Treasury Regulation Section 1.409A-3(j)(4)(v) or its successor (each such payment, a "Limited Cashout"). Specifically, any such Limited Cashout shall be subject to the following requirements:

(a) The Committee's exercise of discretion to make the Limited Cashout shall be evidenced in writing no later than the date of the lump sum payment;

(b) The lump sum payment shall result in the termination and liquidation of the entirety of the Participant's Account Balance under the Plan as well as the Participant's interest in all other plans, agreements, methods, programs, or other arrangements with respect to which deferrals of compensation are treated as having been deferred under a single nonqualified deferred compensation plan under Treasury Regulation Section 1.409A-1(c)(2) with the Account Balance; and

(c) The lump sum payment (and the Participant's entire interest in any and all other "plans" that would be aggregated with the account(s) being distributed from the Plan in accordance with Treasury Regulation Section 1.409A-1(c)(2)) is not greater than the applicable dollar amount under Code Section 402(g)(1)(B) at the time of the Limited Cashout.

Any such Limited Cashout shall be calculated as of the last business day of the month in which the Committee's determination to make the Limited Cashout occurs, and such lump sum payment shall be made within 60 days following such determination.

#### 4.4 **Unforeseeable Emergencies**.

(a) If a Participant experiences an Unforeseeable Emergency prior to the occurrence of a Scheduled Distribution or a distribution event described in Articles V through IX, as applicable, the Participant may petition the Committee to receive a partial or full payout from the Plan. The payout, if any, from the Plan shall not exceed the lesser of (i) the Participant's vested Account Balance, calculated as of the close of business on or around the Benefit Distribution Date for such payout, as determined by the Committee in accordance with the provisions set forth below, or (ii) the amount necessary to satisfy the Unforeseeable Emergency, plus amounts necessary to pay Federal, state, or local income taxes or penalties reasonably anticipated as a result of the distribution. A Participant shall not be eligible to receive a payout from the Plan to the extent that the Unforeseeable Emergency is or may be relieved (A) through reimbursement or compensation by insurance or otherwise, (B) by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship or (C) by cessation of deferrals under the Plan. If the Committee (or its delegate), in its sole discretion, approves a Participant's petition

for payout from the Plan, the Participant's Benefit Distribution Date for such payout shall be the date on which such approval by the Committee (or its delegate) occurs and such payout shall be distributed to the Participant in a lump sum no later than 60 days after such Benefit Distribution Date. In addition, in the event of such approval, the Participant's outstanding deferral elections under the Plan shall be cancelled.

(b) A Participant's deferral elections under the Plan shall also be cancelled to the extent the Committee determines that such action is required for the Participant to obtain a hardship distribution from an Employer's 401(k) Plan pursuant to Treasury Regulation Section 1.401(k)-1(d)(3).

## ARTICLE V

### **CHANGE IN CONTROL BENEFIT**

5.1 **Change in Control Benefit.** A Participant, in connection with his or her commencement of participation in the Plan, shall have an opportunity to irrevocably elect to receive his or her vested Account Balance in the form of a lump sum payment in the event that a Change in Control occurs prior to the Participant's Separation from Service, Disability or death (the "**Change in Control Benefit**"). The Benefit Distribution Date for the Change in Control Benefit, if any, shall be the date on which the Change in Control occurs. If a Participant elects not to receive a Change in Control Benefit, or fails to make an election in connection with his or her commencement of participation in the Plan, the Participant's Account Balance shall be paid in accordance with the other applicable provisions of the Plan.

5.2 **Payment of Change in Control Benefit.** The Change in Control Benefit, if any, shall be calculated as of the close of business on or around the Participant's Benefit Distribution Date, as determined by the Committee, and paid to the Participant no later than 60 days after the Participant's Benefit Distribution Date.

## ARTICLE VI

### **RETIREMENT BENEFIT**

6.1 **Retirement Benefit.** If a Participant experiences a Separation from Service that qualifies as a Retirement, the Participant shall be eligible to elect to receive his or her vested Account Balance in either a lump sum or annual installment payments under Section 6.2 (the "**Retirement Benefit**"). A Participant's Retirement Benefit shall be calculated as of the close of business on or around the applicable Benefit Distribution Date for such benefit, which shall be (a) the first day after the end of the 6-month period immediately following the date on which the Participant experiences such Separation from Service if the Participant is a Specified Employee, and (b) for all other Participants, the date on which the Participant experiences a Separation from Service; provided, however, if a Participant changes the form of distribution for the Annual Account in accordance with Section 6.2(b), the Benefit Distribution Date for the Annual Account subject to such change shall be determined in accordance with Section 6.2(b).

## **6.2 Payment of Retirement Benefit.**

(a) In connection with a Participant's election to defer an Annual Deferral Amount, the Participant shall elect the form in which his or her Annual Account for such Plan Year will be paid. The Participant may elect to receive each Annual Account in the form of a lump sum or pursuant to an Annual Installment Method of up to 15 years. If a Participant does not make any election with respect to the payment of an Annual Account under this Section 6.2, then payment of such Annual Account shall be made as provided under Article IV, subject to acceleration in the event of the Participant's death under Article IX.

(b) A Participant may change the form of payment for an Annual Account by submitting an Election Form to the Committee in accordance with the following criteria:

(i) The election shall not take effect until at least 12 months after the date on which the election is made;

(ii) The new Benefit Distribution Date for such Annual Account shall be 5 years after the Benefit Distribution Date that would otherwise have been applicable to such Annual Account; and

(iii) The election must be made at least 12 months prior to the Benefit Distribution Date that would otherwise have been applicable to such Annual Account.

For purposes of applying the provisions of this Section 6.2(b), a Participant's election to change the form of payment for an Annual Account shall not be considered to be made until the date on which the election becomes irrevocable. Such an election shall become irrevocable no later than the date that is 12 months prior to the Benefit Distribution Date that would otherwise have been applicable to such Annual Account. Subject to the requirements of this Section 6.2(b), the Election Form most recently accepted by the Committee that has become effective for an Annual Account shall govern the form of payout of such Annual Account.

(c) The lump sum payment shall be made, or installment payments shall commence, no later than 60 days after the applicable Benefit Distribution Date. Remaining installments, if any, shall continue in accordance with the Participant's election for each Annual Account and shall be paid no later than 60 days after the first day of each Plan Year following the Plan Year in which the Participant's Benefit Distribution Date occurs.

## ARTICLE VII

### **TERMINATION BENEFIT**

7.1 **Termination Benefit.** If a Participant experiences a Separation from Service that does not qualify as a Retirement, the Participant shall receive his or her vested Account Balance in the form of a lump sum payment (the “Termination Benefit”). A Participant’s Termination Benefit shall be calculated as of the close of business on or around the Benefit Distribution Date for such benefit, which shall be (a) the first day after the end of the 6-month period immediately following the date on which the Participant experiences such Separation from Service if the Participant is a Specified Employee, and (b) for all other Participants, the date on which the Participant experiences a Separation from Service.

7.2 **Payment of Termination Benefit.** The Termination Benefit shall be paid to the Participant no later than 60 days after the Participant’s Benefit Distribution Date.

## ARTICLE VIII

### **DISABILITY BENEFIT**

8.1 **Disability Benefit.** If a Participant becomes Disabled prior to the occurrence of a distribution event described in Articles V through VII or IX, as applicable, the Participant shall receive his or her vested Account Balance in the form of a lump sum payment (the “Disability Benefit”). The Disability Benefit shall be calculated as of the close of business on or around the Participant’s Benefit Distribution Date for such benefit, which shall be the date on which the Participant becomes Disabled.

8.2 **Payment of Disability Benefit.** The Disability Benefit shall be paid to the Participant no later than 60 days after the Participant’s Benefit Distribution Date.

## ARTICLE IX

### **DEATH BENEFIT**

9.1 **Death Benefit.** In the event of a Participant’s death prior to the complete distribution of his or her vested Account Balance, the Participant’s Beneficiary(ies) shall receive the Participant’s unpaid vested Account Balance in a lump sum payment (the “Death Benefit”). The Death Benefit shall be calculated as of the close of business on or around the Benefit Distribution Date for such benefit, which shall be the date of the Participant’s death.

9.2 **Payment of Death Benefit.** The Death Benefit shall be paid to the Participant’s Beneficiary(ies) no later than 60 days after the Participant’s Benefit Distribution Date.

## ARTICLE X

### **BENEFICIARY DESIGNATION**

#### 10.1 **Beneficiaries.**

(a) **Beneficiary Designation.** The Participant shall have the right, at any time, to designate any person or persons as Beneficiary (both primary and contingent) to whom payment under the Plan shall be made in the event of the Participant's death. If the Participant names someone other than his or her spouse as a Beneficiary, the Committee may, in its sole discretion, determine that spousal consent is required to be provided in a form designated by the Committee, executed by such Participant's spouse and returned to the Committee. The Beneficiary designation shall be effective when it is submitted to and acknowledged by the Committee during the Participant's lifetime in the format prescribed by the Committee.

(b) **Absence of Valid Designation.** If a Participant fails to designate a Beneficiary as provided above, or if every person designated as Beneficiary predeceases the Participant or dies prior to complete distribution of the Participant's benefits, then the Committee shall deem the Participant's estate to be the Beneficiary and shall direct the distribution of such benefits to the Participant's estate.

10.2 **Beneficiary Designation.** Each Participant shall have the right, at any time, to designate his or her Beneficiary(ies) (both primary as well as contingent) to receive any benefits payable under the Plan to a beneficiary upon the death of a Participant. The Beneficiary designated under the Plan may be the same as or different from the Beneficiary designation under any other plan of an Employer in which the Participant participates.

10.3 **Beneficiary Designation; Change; Spousal Consent.** A Participant shall designate his or her Beneficiary by completing and signing the Beneficiary Designation Form, and returning it to the Committee or its designated agent. A Participant shall have the right to change a Beneficiary by completing, signing and otherwise complying with the terms of the Beneficiary Designation Form and the Committee's rules and procedures, as in effect from time to time. If the Participant names someone other than his or her spouse as a Beneficiary, the Committee may, in its sole discretion, determine that spousal consent is required to be provided in a form designated by the Committee, executed by such Participant's spouse and returned to the Committee. Upon the acceptance by the Committee of a new Beneficiary Designation Form, all Beneficiary designations previously filed shall be canceled. The Committee shall be entitled to rely on the last Beneficiary Designation Form filed by the Participant and accepted by the Committee prior to his or her death.

10.4 **Acknowledgment.** No designation or change in designation of a Beneficiary shall be effective until received and acknowledged in writing by the Committee or its designated agent.



10.5 **No Beneficiary Designation**. If a Participant fails to designate a Beneficiary as provided in Sections 10.1, 10.2 and 10.3 above or, if all designated Beneficiaries predecease the Participant or die prior to complete distribution of the Participant's benefits, then the Participant's designated Beneficiary shall be deemed to be his or her surviving spouse. If the Participant has no surviving spouse, the benefits remaining under the Plan to be paid to a Beneficiary shall be payable to the executor or personal representative of the Participant's estate.

10.6 **Doubt as to Beneficiary**. If the Committee has any doubt as to the proper Beneficiary to receive payments pursuant to the Plan, the Committee shall have the right, exercisable in its discretion, to cause the Participant's Employer to withhold such payments until this matter is resolved to the Committee's satisfaction.

10.7 **Discharge of Obligations**. The payment of benefits under the Plan to a Beneficiary shall fully and completely discharge all Employers and the Committee from all further obligations under the Plan with respect to the Participant, and that Participant's Plan agreement shall terminate upon such full payment of benefits.

## ARTICLE XI

### **LEAVE OF ABSENCE**

11.1 **Paid Leave of Absence**. If a Participant is authorized by the Participant's Employer to take a paid leave of absence from the employment of the Employer, and such leave of absence does not constitute a Separation from Service, (a) the Participant shall continue to be considered eligible for the benefits provided under the Plan, and (b) the Annual Deferral Amount shall continue to be withheld during such paid leave of absence in accordance with Section 3.3.

11.2 **Unpaid Leave of Absence**. If a Participant is authorized by the Participant's Employer to take an unpaid leave of absence from the employment of the Employer for any reason, and such leave of absence does not constitute a Separation from Service, such Participant shall continue to be eligible for the benefits provided under the Plan. During the unpaid leave of absence, the Participant shall not be allowed to make any additional deferral elections. However, if the Participant returns to employment, the Participant may elect to defer an Annual Deferral Amount for the Plan Year following his or her return to employment and for every Plan Year thereafter while a Participant in the Plan, provided such deferral elections are otherwise allowed and an Election Form is delivered to and accepted by the Committee for each such election in accordance with Section 3.2 above.

## ARTICLE XII

### **TERMINATION; PLAN AMENDMENT**

12.1 **Termination of Plan**. Although it is anticipated that the Plan will continue for an indefinite period of time, there is no guarantee that the Company will continue the Plan or will not terminate the Plan at any time in the future. Accordingly, the Company, acting through the Board

or the Compensation Committee, reserves the right to terminate the Plan with respect to all or some of the Participants. In the event of a Plan termination no new deferral elections shall be permitted for the affected Participants and such Participants shall no longer be eligible to receive new Annual Company Restoration Matching Contribution Amounts, Annual Company Restoration Basic Contribution Amounts or Annual Company Additional Contribution Amounts (or, if applicable, the Company transition contribution amount as provided under Section 3.10). However, after the Plan termination the Account Balances of such Participants shall continue to be credited with Annual Deferral Amounts attributable to a deferral election that was in effect prior to the Plan termination to the extent deemed necessary to comply with Section 409A of the Code, and additional amounts shall continue to be credited or debited to such Participants' Account Balances pursuant to Section 3.8. The Measurement Funds available to Participants following the termination of the Plan shall be comparable in number and type to those Measurement Funds available to Participants in the Plan Year preceding the Plan Year in which the Plan termination is effective. In addition, following a Plan termination, Participant Account Balances shall remain in the Plan and shall not be distributed until such amounts become eligible for distribution in accordance with the other applicable provisions of the Plan. Notwithstanding the preceding sentence, to the extent permitted by Treasury Regulation Section 1.409A-3(j)(4)(ix), the Employer may provide that upon termination of the Plan, all Account Balances of the Participants shall be distributed, subject to and in accordance with any rules established by such Employer deemed necessary to comply with the applicable requirements and limitations of Treasury Regulation Section 1.409A-3(j)(4)(ix).

## 12.2 Amendment.

(a) The Company, acting through the Board or the Compensation Committee, may, at any time, amend or modify the Plan in whole or in part. In addition, the Plan may be amended by the Committee at any time provided that any such amendment is necessary (A) to bring the Plan into compliance with the Code or other applicable law, or (B) to make any changes which do not result, when aggregated with any other amendments to the Plan made by the Committee during the immediately preceding fiscal year (ignoring inflation trends), in a more than ten percent (10%) increase (when compared to such immediately preceding fiscal year) in the cost of maintaining the Plan to the Company and all other Employers. Notwithstanding the foregoing, (i) no amendment or modification shall be effective to decrease the value of a Participant's vested Account Balance in existence at the time the amendment or modification is made, and (ii) no amendment or modification of this Section 12.2 shall be effective.

(b) Notwithstanding Section 12.2(a) above, in the event that the Company, acting through the Committee, determines that any provision of the Plan may cause amounts deferred under the Plan to become immediately taxable to any Participant under Section 409A of the Code, the Company, acting through the Committee, may (i) adopt such amendments to the Plan and appropriate policies and procedures, including amendments and policies with retroactive effect, that it determines necessary or appropriate to preserve the intended tax treatment of the Plan benefits provided by the Plan and/or (ii) take such other actions as the Company, acting through the Committee, determines necessary or appropriate to comply with the requirements of Section 409A of the Code to avoid the imputation of any tax, penalty or interest thereunder.

12.3 **Effect of Payment.** The full payment of the Participant's vested Account Balance in accordance with the applicable provisions of the Plan shall completely discharge all obligations to a Participant and his or her designated Beneficiaries under the Plan.

## ARTICLE XIII

### **ADMINISTRATION**

**Committee.** The Plan shall be administered by a Retirement Committee ("Committee"), which shall be appointed by the Compensation Committee. Members of the Committee may be Participants under the Plan. The Committee shall have the discretion and authority to (a) make, amend, interpret, and enforce all appropriate rules and regulations for the administration of the Plan, (b) decide or resolve any and all questions, including benefit entitlement determinations and interpretations of the Plan, as may arise in connection with the Plan, including determinations regarding eligibility for benefits payable under the Plan, and (c) take any other actions necessary or appropriate to administer the Plan, including selecting and establishing Measurement Funds. Any individual serving on the Committee who is a Participant shall not vote or act on any matter relating solely to himself or herself. When making a determination or calculation, the Committee shall be entitled to rely on information furnished by a Participant or the Company. The Committee may, in its sole discretion and from time to time, delegate any administrative or ministerial duties related to the Plan to any officers or staff of the Company.

13.1 **Agents.** In the administration of the Plan, the Committee, as applicable, may, from time to time, employ agents and delegate to them such administrative duties as it sees fit (including acting through a duly appointed representative) and may from time to time consult with counsel who may be counsel to any Employer.

13.2 **Binding Effect of Decisions.** The decision or action of the Committee, as applicable, with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated hereunder shall be final and conclusive and binding upon all persons having any interest in the Plan.

13.3 **Indemnity of Committee.** All Employers shall indemnify and hold harmless the members of the Committee, any Employee to whom the duties of the Committee may be delegated, against any and all claims, losses, damages, expenses or liabilities arising from any action or failure to act with respect to the Plan, except in the case of willful misconduct by the Committee, any of its members, any such Employee seeking indemnification hereunder.

13.4 **Employer Information.** To enable the Committee to perform its functions, the Company and each Employer shall supply full and timely information to the Committee (or its delegate), as the case may be, on all matters relating to the Plan, the Trust, the Participants and their Beneficiaries, the Account Balances of the Participants, the compensation of its Participants, the date and circumstances of the Separation from Service, Disability or death of its Participants, and such other pertinent information as the Committee (or its delegate) may reasonably require.

## ARTICLE XIV

### CLAIMS PROCEDURE

14.1 **Presentation of Claim.** Any Participant or Beneficiary of a deceased Participant (such Participant or Beneficiary being referred to below as a “Claimant”) may deliver to the Committee a written claim for a determination with respect to the amounts distributable to such Claimant from the Plan. If such a claim relates to the contents of a notice received by the Claimant, the claim must be made within 60 days after such notice was received by the Claimant. All other claims must be made within 180 days of the date on which the event that caused the claim to arise occurred. The claim must state with particularity the determination desired by the Claimant.

14.2 **Notification of Decision.** The Committee shall consider a Claimant’s claim within a reasonable time, but no later than 90 days after receiving the claim. If the Committee determines that special circumstances require an extension of time for processing the claim, written notice of the extension shall be furnished to the Claimant prior to the termination of the initial 90-day period. In no event shall such extension exceed a period of 90 days from the end of the initial period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Committee expects to render the benefit determination. The Committee shall notify the Claimant in writing:

- (a) that the Claimant’s requested determination has been made, and that the claim has been allowed in full; or
- (b) that the Committee has reached a conclusion contrary, in whole or in part, to the Claimant’s requested determination, and such notice must set forth in a manner calculated to be understood by the Claimant:
  - (i) the specific reason(s) for the denial of the claim, or any part of it;
  - (ii) specific reference(s) to pertinent provisions of the Plan upon which such denial was based;
  - (iii) a description of any additional material or information necessary for the Claimant to perfect the claim, and an explanation of why such material or information is necessary;
  - (iv) an explanation of the claim review procedure set forth in Section 14.3 below; and
  - (v) a statement of the Claimant’s right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review.

14.3 **Review of a Denied Claim.** On or before 60 days after receiving a notice from the Committee that a claim has been denied, in whole or in part, a Claimant (or the Claimant's duly authorized representative) may file with the Committee a written request for a review of the denial of the claim. The Claimant (or the Claimant's duly authorized representative):

- (a) may, upon request and free of charge, have reasonable access to, and copies of, all documents, records and other information relevant (as defined in applicable ERISA regulations) to the claim for benefits;
- (b) may submit written comments or other documents; and/or
- (c) may request a hearing, which the Committee, in its sole discretion, may grant.

14.4 **Decision on Review.** The Committee shall render its decision on review promptly, and no later than 60 days after the Committee receives the Claimant's written request for a review of the denial of the claim. If the Committee determines that special circumstances require an extension of time for processing the claim, written notice of the extension shall be furnished to the Claimant prior to the termination of the initial 60-day period. In no event shall such extension exceed a period of 60 days from the end of the initial period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Committee expects to render the benefit determination. In rendering its decision, the Committee shall take into account all comments, documents, records and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The decision must be written in a manner calculated to be understood by the Claimant, and it must contain:

- (a) specific reasons for the decision;
- (b) specific reference(s) to the pertinent Plan provisions upon which the decision was based;
- (c) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of, all documents, records and other information relevant (as defined in applicable ERISA regulations) to the Claimant's claim for benefits; and
- (d) a statement of the Claimant's right to bring a civil action under ERISA Section 502(a).

14.5 **Legal Action.** A Claimant's compliance with the foregoing provisions of this Article XIV is a mandatory prerequisite to a Claimant's right to commence any legal action with respect to any claim for benefits under the Plan

14.6 **Contractual Limitation.** No action at law or in equity shall be brought to recover benefits under the Plan until the mandatory appeal rights described herein have been exercised and the Plan benefits requested in such appeal have been denied in whole or in part. If any judicial

proceeding is undertaken to appeal the denial of a claim, challenge the amount of any benefit under the Plan or bring any other action under ERISA other than a breach of fiduciary duty claim, any such judicial proceeding must be filed within the earlier date of the following: (a) 90 days after the final decision on any administrative claim for benefits submitted to the Committee; or (b) within 3 years after the date when the Claimant submits their authorization to commence payment of the Plan benefits at issue in the judicial proceeding. The evidence presented in such a judicial proceeding shall be strictly limited to the evidence timely presented to the Committee (or its designee).

## ARTICLE XV

### TRUST

15.1 **Establishment of the Trust**. In order to provide assets from which to fulfill the obligations of the Participants and their Beneficiaries under the Plan, the Company, acting through the Committee, shall establish a trust by a trust agreement with a third party, the Trustee (the “Trust”), and each Employer shall at least annually transfer over to the Trust such assets as the Employer determines, in its sole discretion, are necessary to provide, on a present value basis, for its respective future liabilities created with respect to the Annual Accounts for such Employer’s Participants (or such Participants’ Beneficiaries) for all periods prior to the transfer, as well as any debits and credits to such Participants’ Annual Accounts for all periods prior to the transfer, taking into consideration the value of the assets in the Trust at the time of the transfer.

15.2 **Interrelationship of the Plan and the Trust**. The provisions of the Plan shall govern the rights of a Participant to receive distributions under the Plan. The provisions of the Trust shall govern the rights of the Employers, Participants and the creditors of the Employers to the assets transferred to the Trust. Each Employer shall at all times remain liable to carry out its obligations under the Plan.

15.3 **Distributions From the Trust**. Each Employer’s obligations under the Plan may be satisfied with Trust assets distributed pursuant to the terms of the Trust, and any such distribution shall reduce the Employer’s obligations under the Plan.

## ARTICLE XVI

### I

### MISCELLANEOUS

16.1 **Status of Plan**. The Plan is intended to be a plan that is not qualified within the meaning of Section 401(a) the Code and that “is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees” within the meaning of ERISA Sections 201(2), 301(a)(3) and 401(a)(1). The Plan shall be administered and interpreted (a) to the extent possible in a manner consistent with the intent described in the preceding sentence, and (b) in accordance with Code Section 409A and related Treasury Regulations and other guidance.

16.2 **Unsecured General Creditor**. Participants and their Beneficiaries, heirs, successors and assigns shall have no legal or equitable rights, interests or claims in any property or assets of an Employer. For purposes of the payment of benefits under the Plan, any and all of an Employer's assets shall be, and remain, the general, unpledged unrestricted assets of the Employer. An Employer's obligation under the Plan shall be merely that of an unfunded and unsecured promise to pay money in the future.

16.3 **Employer's Liability**. An Employer's liability for the payment of benefits shall be defined only by the Plan. An Employer shall have no obligation to a Participant under the Plan except as expressly provided in the Plan.

16.4 **Nonassignability**. Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate, alienate or convey in advance of actual receipt, the amounts, if any, payable hereunder, or any part thereof, which are, and all rights to which are expressly declared to be, unassignable and non-transferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure, attachment, garnishment or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency or be transferable to a spouse as a result of a property settlement or otherwise.

16.5 **Not a Contract of Employment**. The terms and conditions of the Plan shall not be deemed to constitute a contract of employment between any Employer and the Participant. Such employment is hereby acknowledged to be an "at will" employment relationship that can be terminated at any time for any reason, or no reason, with or without cause, and with or without notice, unless expressly provided in a written employment agreement. Nothing in the Plan shall be deemed to give a Participant the right to be retained in the service of any Employer, either as an Employee or a director, or to interfere with the right of any Employer to discipline or discharge the Participant at any time.

16.6 **Furnishing Information**. A Participant or his or her Beneficiary will cooperate with the Committee by furnishing any and all information requested by the Committee and take such other actions as may be requested in order to facilitate the administration of the Plan and the payments of benefits hereunder, including but not limited to taking such physical examinations as the Committee may deem necessary.

16.7 **General; Singular and Plural**. Whenever any words are used herein in the masculine, they shall be construed as though they were in the feminine in all cases where they would so apply; and whenever any words are used herein in the singular or in the plural, they shall be construed as though they were used in the plural or the singular, as the case may be, in all cases where they would so apply.

16.8 **Captions**. The captions of the articles, sections and paragraphs of the Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

16.9 **Governing Law**. Subject to ERISA, the provisions of the Plan shall be construed and interpreted according to the internal laws of the state of New York without regard to its conflicts of laws principles.

16.10 **Notice**. Any notice or filing required or permitted to be given to the Company or the Participant under this Plan shall be sufficient if in writing and hand-delivered, or sent by registered or certified mail, in the case of the Company, to the principal office of the Company, directed to the attention of the Director of Human Resources, and in the case of the Participant, to the last known address of the Participant indicated on the employment records of the Company. Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Notices to the Company may be permitted by electronic communication according to specifications established by the Committee.

16.11 **Successors**. The provisions of the Plan shall bind and inure to the benefit of the Participant's Employer and its successors and assigns and the Participant and the Participant's designated Beneficiaries.

16.12 **Spouse's Interest**. The interest in the benefits hereunder of a spouse of a Participant who has predeceased the Participant shall automatically pass to the Participant and shall not be transferable by such spouse in any manner, including but not limited to such spouse's will, nor shall such interest pass under the laws of intestate succession.

16.13 **Validity**. In case any provision of the Plan shall be illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but the Plan shall be construed and enforced as if such illegal or invalid provision had never been inserted herein.

16.14 **No Guarantee of Tax Consequences**. The Employer, Company, Board and Committee make no commitment or guarantee to any Participant that any federal, state or local tax treatment will apply or be available to any person eligible for benefits under the Plan and assume no liability whatsoever for the tax consequences to any Participant.

16.15 **Distribution in the Event of Income Inclusion Under Code Section 409A**. If any portion of a Participant's Account Balance under the Plan is required to be included in income by the Participant prior to receipt due to a failure of the Plan to comply with the requirements of Section 409A of the Code, the Committee may determine that such Participant shall receive a distribution from the Plan in an amount equal to the lesser of (a) the portion of his or her Account Balance required to be included in income as a result of the failure of the Plan to comply with the requirements of Section 409A of the Code, or (b) the unpaid vested Account Balance.

16.16 **Incompetent**. If the Committee determines in its discretion that a benefit under the Plan is to be paid to a minor, a person declared incompetent or to a person incapable of handling the disposition of that person's property, the Committee may direct payment of such benefit to the guardian, legal representative or person having the care and custody of such minor, incompetent or incapable person. The Committee may require proof of minority, incompetence, incapacity or guardianship, as it may deem appropriate prior to distribution of the benefit. Any payment of a



benefit shall be a payment for the account of the Participant and the Participant's Beneficiary, as the case may be, and shall be a complete discharge of any liability under the Plan for such payment amount.

16.17 **Domestic Relations Orders.** Notwithstanding any provision in the Plan to the contrary, in the event that the Committee receives a domestic relations order, as defined in Code Section 414(p)(1)(B), pursuant to which a court has determined that a spouse or former spouse of a Participant has an interest in the Participant's benefits under the Plan, the Committee shall have the right to immediately distribute the spouse's or former spouse's interest in the Participant's benefits under the Plan to such spouse or former spouse to the extent necessary to fulfill such domestic relations order, provided that such distribution is in accordance with the requirements of Code Section 409A.

16.18 **Code Section 409A.** The Plan is intended to constitute a nonqualified deferred compensation plan within the meaning of Code Section 409A and to meet the applicable requirements thereunder, and shall be interpreted and construed consistent with such intent. Notwithstanding any provision to the contrary in this Plan, if a Participant is deemed to be a Specified Employee on the date of his Separation from Service with the Company, then with regard to any payment that is considered deferred compensation under Code Section 409A payable on account of a Separation from Service that is required to be delayed pursuant to Code Section 409A(a)(2)(B) (after taking into account any applicable exceptions to such requirement), such payment shall be paid on the date that is the expiration of the six (6)-month period measured from the date of the Participant's Separation from Service (the "Delay Period"). Upon the expiration of the Delay Period, all payments delayed pursuant to this Section 16.18 shall be paid to the Participant in accordance with the payment form and upon the payment dates specified herein.

**Supplement A**1. **Sample Calculation of “Annual Company Restoration Matching Contribution Amount”**

Assume the following values for a Participant for a Plan Year:

Eligible Compensation	\$300,000
Annual Deferral Amount	\$50,000
Compensation under 401(k) Plan	\$250,000
Limitation under Section 401(a)(17)	\$280,000
Matching Employer Contribution Percentage	70%

The Participant’s Annual Company Restoration Matching Contribution Amount for the Plan Year is equal to:  $70\% \times 6\% \times (\$300,000 - \$250,000) = \$2,100$  (provided that the applicable requirements of the Plan are otherwise met).

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2. Sample Calculation of “Annual Company Restoration Basic Contribution Amount”

Assume the following values for a Participant for a Plan Year:

Eligible Compensation	\$300,000
Annual Deferral Amount	\$50,000
Compensation under 401(k) Plan	\$250,000
Limitation under Section 401(a)(17)	\$280,000
Employer Non-Elective Contribution Percentage	2.50%

The Participant’s Annual Company Restoration Basic Contribution Amount for the Plan Year is equal to:  $2.50\% \times (\$300,000 - \$250,000) = \$1,250$  (provided that the applicable requirements of the Plan are otherwise met).

**Subsidiary List**  
As of June 30, 2019

**Exhibit 21**

<b>Name:</b>	<b>State or other Jurisdiction of Incorporation:</b>
Access Data Corp.	Delaware
ActivePath Solutions Ltd.	Israel
Bonaire Software Solutions, LLC	Massachusetts
Broadridge Analytics Solutions Limited	United Kingdom
Broadridge Asia Pacific Limited	Hong Kong
Broadridge (Australia) Pty. Ltd.	Australia
Broadridge Business Process Outsourcing, LLC	Delaware
Broadridge Business Process Outsourcing (Canada), Inc.	Canada
Broadridge City Networks (UK) Limited	United Kingdom
Broadridge Corporate Issuer Solutions, Inc.	Pennsylvania
Broadridge Customer Communications Canada, ULC	British Columbia
Broadridge Czech Republic s.r.o.	Czech Republic
Broadridge (Deutschland) GmbH	Germany
Broadridge Financial Solutions International, Ltd.	United Kingdom
Broadridge Financial Solutions (India) Private Limited	India
Broadridge Financial Solutions Ltd.	United Kingdom
Broadridge Financial Solutions (Canada) Corp.	Canada
Broadridge Fixed Income Liquidity Solutions, LLC (1)	Delaware
Broadridge Fluent Solutions, LLC	Delaware
Broadridge France SAS	France
Broadridge FX and Liquidity Solutions, LLC	Delaware
Broadridge Holdings, LLC	Delaware
Broadridge Investor Communications Corporation	Canada
Broadridge Investor Communication Solutions, Inc.	Delaware
Broadridge (Japan) Ltd.	Japan
Broadridge Mail, LLC	Delaware
Broadridge Managed Solutions, Inc.	Delaware
Broadridge Nederland I B.V.	Netherlands
Broadridge Nederland II B.V.	Netherlands
Broadridge Nederland III B.V.	Netherlands
Broadridge Output Solutions, Inc.	Delaware
Broadridge Poland sp. z o.o.	Poland
Broadridge Rus LLC	Russia
Broadridge Securities Processing Solutions, LLC	Delaware
Broadridge (Singapore) Private Limited	Singapore
Broadridge Software Limited	Canada
Broadridge SPS, LLC	Delaware
Broadridge (Suisse) S.A.	Switzerland
Broadridge Trading Trf. Corp.	Delaware
BR REC, LLC	New York
BR NYC Solutions, Inc.	Delaware
BR ICS (Canada) ULC	Nova Scotia

<b>Name:</b>	<b>State or other Jurisdiction of Incorporation:</b>
BR (Canada) Holdings Inc.	Ontario
FundAssist Limited	Ireland
Fund Buyer Focus Limited	United Kingdom
Fund Radar Limited	United Kingdom
ICJ Inc. (1)	Japan
Investigo Corporation	Minnesota
Inlet LLC (1)	Delaware
Message Automation Ltd	England, Wales
Matrix Trust Company	Colorado
Matrix Settlement & Clearance Services, LLC	New York
Matrix Financial Solutions, Inc.	Delaware
MWB Ventures Limited	United Kingdom
Paladyne Asia Limited	Hong Kong
Paladyne Systems Cayman	Cayman
Paladyne Systems Europe Ltd.	United Kingdom
QED Financial Systems, Inc.	New Jersey
Rockall Technologies Limited	Ireland
4sight Financial Software Limited	Scotland, UK
4Sight Financial Software (Australia) Pty. Ltd.	Australia
4sight IT Services Limited	Scotland and Wales

(1) Less than 100% owned

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statement Nos. 333-190470 and No. 333-212143 on Form S-3, and Registration Statement Nos. 333-141673, No. 333-157105, No. 333-163401, No. 333-172126, No. 333-192734 and No. 333-228443 on Form S-8 of our report dated August 6, 2019, relating to the consolidated financial statements and financial statement schedule of Broadridge Financial Solutions, Inc. (the “Company”) and the effectiveness of the Company’s internal control over financial reporting, appearing in this Annual Report on Form 10-K of the Company for the year ended June 30, 2019.

/s/ DELOITTE & TOUCHE LLP

New York, New York  
August 6, 2019

## SECTION 302 CERTIFICATION

I, Timothy C. Gokey, certify that:

1. I have reviewed this Annual Report on Form 10-K of Broadridge Financial Solutions, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2019

/s/ TIMOTHY C. GOKEY

Timothy C. Gokey

President and Chief Executive Officer

## SECTION 302 CERTIFICATION

I, James M. Young, certify that:

1. I have reviewed this Annual Report on Form 10-K of Broadridge Financial Solutions, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2019

/s/ JAMES M. YOUNG

James M. Young

Vice President, Chief Financial Officer



**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Broadridge Financial Solutions, Inc. (the "Company") on Form 10-K for the fiscal year ended June 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Timothy C. Gokey, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (a) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

/s/ TIMOTHY C. GOKEY

\_\_\_\_\_  
Timothy C. Gokey

President and Chief Executive Officer

August 6, 2019

Pursuant to Securities and Exchange Commission Release 33-8238, dated June 5, 2003, this certification is being furnished and shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, and will not be incorporated by reference into any registration statement filed under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Broadridge Financial Solutions, Inc. (the "Company") on Form 10-K for the fiscal year ended June 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James M. Young, Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (a) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

/s/ JAMES M. YOUNG

**James M. Young**

**Vice President, Chief Financial Officer**

August 6, 2019

Pursuant to Securities and Exchange Commission Release 33-8238, dated June 5, 2003, this certification is being furnished and shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, and will not be incorporated by reference into any registration statement filed under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.