

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

FORM 10-Q

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

For the quarterly period ended September 30, 2019
OR

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

For the transition period from _____ to _____

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)

33-1151291
(I.R.S. Employer Identification No.)

5 Dakota Drive
Lake Success
New York
(Address of principal executive offices)

11042
(Zip Code)

Registrant's telephone number, including area code: (516) 472-5400

Former name, former address and former fiscal year, if changed since last report: N/A

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

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 and post 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 an 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.

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 number of shares outstanding of the registrant's common stock, \$0.01 par value, as of October 31, 2019, was 114,646,129 shares.

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PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

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

		Three Months Ended September 30,	
		2019	2018
Revenues	(Note 3)	\$ 948.6	\$ 972.8
Operating expenses:			
Cost of revenues		727.5	739.0
Selling, general and administrative expenses		148.0	133.7
Total operating expenses		875.4	872.7
Operating income		73.1	100.1
Interest expense, net	(Note 5)	(13.1)	(9.6)
Other non-operating income (expenses), net		3.8	(1.2)
Earnings before income taxes		63.8	89.3
Provision for income taxes	(Note 14)	7.9	12.6
Net earnings		\$ 55.9	\$ 76.7
Basic earnings per share		\$ 0.49	\$ 0.66
Diluted earnings per share		\$ 0.48	\$ 0.64
Weighted-average shares outstanding:			
Basic	(Note 4)	114.4	116.4
Diluted	(Note 4)	117.1	119.7

Amounts may not sum due to rounding.

See Notes to Condensed Consolidated Financial Statements.

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

	Three Months Ended September 30,	
	2019	2018
Net earnings	\$ 55.9	\$ 76.7
Other comprehensive income (loss), net:		
Foreign currency translation adjustments	(8.7)	(10.1)
Pension and post-retirement liability adjustment, net of taxes of \$(0.1) and \$0.0 for the three months ended September 30, 2019 and 2018, respectively	0.4	—
Total other comprehensive income (loss), net	(8.3)	(10.1)
Comprehensive income	\$ 47.6	\$ 66.7

Amounts may not sum due to rounding.

See Notes to Condensed Consolidated Financial Statements.

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

	September 30, 2019	June 30, 2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 358.3	\$ 273.2
Accounts receivable, net of allowance for doubtful accounts of \$2.1 and \$2.6, respectively	600.7	664.0
Other current assets	136.2	105.2
Total current assets	1,095.1	1,042.3
Property, plant and equipment, net	186.2	189.0
Goodwill	1,495.1	1,500.0
Intangible assets, net	546.8	556.2
Other non-current assets (Note 9)	896.9	593.1
Total assets	\$ 4,220.1	\$ 3,880.7
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of long-term debt (Note 11)	\$ 399.4	\$ —
Payables and accrued expenses (Note 10)	547.9	711.7
Contract liabilities	93.5	90.9
Total current liabilities	1,040.9	802.6
Long-term debt (Note 11)	1,368.8	1,470.4
Deferred taxes	96.0	86.7
Contract liabilities	154.7	160.7
Other non-current liabilities (Note 12)	416.3	232.8
Total liabilities	3,076.6	2,753.2
Commitments and contingencies (Note 15)		
Stockholders' equity:		
Preferred stock: Authorized, 25.0 shares; issued and outstanding, none	—	—
Common stock, \$0.01 par value: 650.0 shares authorized; 154.5 and 154.5 shares issued, respectively; and 114.6 and 114.3 shares outstanding, respectively	1.6	1.6
Additional paid-in capital	1,131.1	1,109.3
Retained earnings	2,082.0	2,087.7
Treasury stock, at cost: 39.8 and 40.2 shares, respectively	(1,991.6)	(1,999.8)
Accumulated other comprehensive loss (Note 16)	(79.5)	(71.2)
Total stockholders' equity	1,143.4	1,127.5
Total liabilities and stockholders' equity	\$ 4,220.1	\$ 3,880.7

Amounts may not sum due to rounding.

See Notes to Condensed Consolidated Financial Statements.

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

	Three Months Ended September 30,	
	2019	2018
Cash Flows From Operating Activities		
Net earnings	\$ 55.9	\$ 76.7
Adjustments to reconcile net earnings to net cash flows used in operating activities:		
Depreciation and amortization	20.5	21.2
Amortization of acquired intangibles and purchased intellectual property	28.1	21.9
Amortization of other assets	22.8	21.6
Stock-based compensation expense	11.8	10.7
Deferred income taxes	7.5	(1.4)
Other	(11.0)	(5.4)
Changes in operating assets and liabilities, net of assets and liabilities acquired:		
Current assets and liabilities:		
Decrease (increase) in Accounts receivable, net	63.8	(1.0)
Increase in Other current assets	(33.4)	(4.6)
Decrease in Payables and accrued expenses	(190.5)	(199.3)
Increase (decrease) in Contract liabilities	3.1	(4.0)
Non-current assets and liabilities:		
Increase in Other non-current assets	(74.4)	(45.6)
Increase in Other non-current liabilities	9.4	13.6
Net cash flows used in operating activities	(86.4)	(95.5)
Cash Flows From Investing Activities		
Capital expenditures	(14.1)	(8.7)
Software purchases and capitalized internal use software	(6.2)	(6.8)
Acquisitions, net of cash acquired	(48.1)	—
Other investing activities	(17.9)	(0.8)
Net cash flows used in investing activities	(86.3)	(16.3)
Cash Flows From Financing Activities		
Debt proceeds	337.5	120.0
Debt repayments	(40.0)	(30.0)
Dividends paid	(55.4)	(42.5)
Purchases of Treasury stock	—	(1.1)
Proceeds from exercise of stock options	18.5	7.6
Other financing activities	(2.5)	0.1
Net cash flows provided by financing activities	258.1	54.2
Effect of exchange rate changes on Cash and cash equivalents	(0.2)	(1.6)
Net change in Cash and cash equivalents	85.1	(59.3)
Cash and cash equivalents, beginning of period	273.2	263.9
Cash and cash equivalents, end of period	\$ 358.3	\$ 204.7
Supplemental disclosure of cash flow information:		
Cash payments made for interest	\$ 13.6	\$ 9.5
Cash payments made for income taxes, net of refunds	\$ 41.5	\$ 30.2
Non-cash investing and financing activities:		
Accrual of unpaid property, plant and equipment and software	\$ 8.7	\$ 1.9

Amounts may not sum due to rounding.

See Notes to Condensed Consolidated Financial Statements.

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

Three Months Ended September 30, 2019							
	Common Stock		Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount					
Balances, June 30, 2019	154.5	\$ 1.6	\$ 1,109.3	\$ 2,087.7	\$ (1,999.8)	\$ (71.2)	\$ 1,127.5
Comprehensive income (loss)	—	—	—	55.9	—	(8.3)	47.6
Cumulative effect of change in accounting principles (a)	—	—	—	0.2	—	—	0.2
Stock option exercises	—	—	18.2	—	—	—	18.2
Stock-based compensation	—	—	11.7	—	—	—	11.7
Treasury stock acquired (less than 0.1 shares)	—	—	—	—	—	—	—
Treasury stock reissued (0.4 shares)	—	—	(8.2)	—	8.2	—	—
Common stock dividends (\$0.54 per share)	—	—	—	(61.8)	—	—	(61.8)
Balances, September 30, 2019	154.5	\$ 1.6	\$ 1,131.1	\$ 2,082.0	\$ (1,991.6)	\$ (79.5)	\$ 1,143.4

Three Months Ended September 30, 2018							
	Common Stock		Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount					
Balances, June 30, 2018	154.5	\$ 1.6	\$ 1,048.5	\$ 1,727.0	\$ (1,630.8)	\$ (51.9)	\$ 1,094.3
Comprehensive income (loss)	—	—	—	76.7	—	(10.1)	66.7
Cumulative effect of changes in accounting principles (b)	—	—	—	102.8	—	(1.5)	101.3
Stock option exercises	—	—	18.6	—	—	—	18.6
Stock-based compensation	—	—	10.7	—	—	—	10.7
Treasury stock acquired (less than 0.1 shares)	—	—	—	—	(1.1)	—	(1.1)
Treasury stock reissued (0.4 shares)	—	—	(8.6)	—	8.6	—	—
Common stock dividends (\$0.485 per share)	—	—	—	(56.5)	—	—	(56.5)
Balances, September 30, 2018	154.5	\$ 1.6	\$ 1,069.1	\$ 1,850.0	\$ (1,623.2)	\$ (63.5)	\$ 1,234.0

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

(b) Primarily reflects the adoption of accounting standards as described in Note 3, "Revenue Recognition."

Amounts may not sum due to rounding.

See Notes to Condensed Consolidated Financial Statements.

Broadridge Financial Solutions, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

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, wealth management firms and corporate issuers. 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, wealth management firms and corporate issuers. 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 also provides customer communications solutions which include print and digital solutions, content management, postal optimization, and fulfillment services. The Broadridge Communications CloudSM (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.

- **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.

B. Consolidation and Basis of Presentation. The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in the U.S. and in accordance with SEC requirements for Quarterly Reports on Form 10-Q. These financial statements present the condensed 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. The results of operations reported for interim periods are not necessarily indicative of the results of operations for the entire year or any subsequent interim period. These Condensed Consolidated Financial Statements should be read in conjunction with the Company's Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2019 filed on August 6, 2019 with the SEC. These Condensed Consolidated Financial Statements include all normal and recurring adjustments necessary for a fair presentation in accordance with GAAP of the Company's financial position at September 30, 2019 and June 30, 2019, the results of its operations for the three months ended September 30, 2019 and 2018, its cash flows for the three months ended September 30, 2019 and 2018, and its changes in stockholders' equity for the three months ended September 30, 2019 and 2018. Certain prior period amounts have been reclassified to conform to the current year presentation where applicable, except as it relates to Financial Accounting Standards Board (the "FASB") Accounting Standards Update ("ASU") No. 2016-02 "Leases" ("ASU No. 2016-02") and its related amendments, as described further below.

Effective July 1, 2019, the Company adopted ASU No. 2016-02, as amended by recognizing a right-of-use ("ROU") asset and corresponding lease liability, along with a cumulative-effect adjustment to the opening balance of retained earnings, in the period of adoption. Under this method of adoption, the Company has not restated the prior period Condensed Consolidated Financial Statements presented to the current period presentation. Additional information about the impact of the Company's adoption of ASU No. 2016-02, as amended, is included in Note 2, "New Accounting Pronouncements" and Note 8, "Leases."

C. Securities. Securities are non-derivatives that are reflected in Other non-current assets in the Condensed 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 Condensed 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 Condensed 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.

D. 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 Condensed 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 Condensed Consolidated Financial Statements, as appropriate.

E. Subsequent Events. Refer to Note 18, "Subsequent Events" for a description of the Company's subsequent events.

NOTE 2. NEW ACCOUNTING PRONOUNCEMENTS

Recently Adopted Accounting Pronouncements

In February 2016, the FASB issued 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 ROU 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.

Accordingly, in the first quarter of fiscal year 2020, the Company adopted ASU No. 2016-02, as amended, by recognizing a ROU asset and corresponding lease liability, along with a cumulative-effect adjustment to the opening balance of retained earnings, in the period of adoption. Under this method of adoption, the Company has not restated the prior period Condensed Consolidated Financial Statements presented to the current period presentation. The Company elected the transition package of three practical expedients permitted under the transition guidance in ASU No. 2016-02, as amended, to not reassess prior conclusions related to whether (i) a contract contains a lease, (ii) the classification of an existing lease, and (iii) the accounting for initial direct costs. The Company also elected accounting policies to (i) not separate the non-lease components of a contract from the lease component to which they relate, and (ii) not recognize assets or liabilities for leases with a term of twelve months or less and no purchase option that the Company is reasonably certain of exercising.

On the Condensed Consolidated Balance Sheet as of July 1, 2019, the adoption of ASU No. 2016-02, as amended, resulted in the recognition of lease liabilities of \$252.0 million and ROU assets of \$235.4 million, which include the impact of existing deferred rents and tenant improvement allowances for operating leases, as well as a cumulative-effect adjustment to the opening balance of retained earnings of \$0.2 million. The adoption of ASU No. 2016-02, as amended, did not have a material impact on the Condensed Consolidated Statements of Earnings, the Condensed Consolidated Statements of Comprehensive Income, the Condensed Consolidated Statements of Cash Flows, or the Condensed Consolidated Statements of Stockholders' Equity.

Recently Issued Accounting Pronouncements

In August 2018, the FASB issued ASU No. 2018-15, "Intangibles - Goodwill and Other - Internal-Use Software: Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract" ("ASU No. 2018-15"), which aligns the requirements for capitalizing implementation costs incurred in a cloud computing hosting arrangement that is a service contract with the requirements under GAAP for capitalizing implementation costs incurred to develop or obtain internal-use software. ASU No. 2018-15 will be effective for the Company beginning in the first quarter of fiscal year 2021. Entities are permitted to apply either a retrospective or prospective transition approach to adopt the guidance. The Company is currently evaluating the impact of the pending adoption and associated option method of ASU No. 2018-15 on the Company's Condensed Consolidated Financial Statements.

In June 2016, the FASB issued ASU No. 2016-13, “Financial Instruments - Credit Losses” (“ASU No. 2016-13”), which prescribes an impairment model for most financial instruments based on expected losses rather than incurred losses. Under this model, an estimate of expected credit losses over the contractual life of the instrument is to be recorded as of the end of a reporting period as an allowance to offset the amortized cost basis, resulting in a net presentation of the amount expected to be collected on the financial instrument. ASU No. 2016-13 is effective for the Company in the first quarter of fiscal year 2021. For most instruments, entities must apply the standard using a cumulative-effect adjustment to retained earnings as of the beginning of the fiscal year of adoption. The Company is currently assessing the impact that the adoption of ASU No. 2016-13 will have on its Condensed Consolidated Financial Statements.

NOTE 3. REVENUE RECOGNITION

ASU No. 2014-09, “Revenue from Contracts with Customers” (“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 and tabulation. 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. Finally, the Company recognizes license revenues from software term licenses installed on clients’ premises upon delivery and acceptance of the software license, assuming a contract is deemed to exist. Software term license revenue is not a significant portion of the Company’s revenues.

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

Transaction Price

The Company allocates transaction price to the individual performance obligations within a contract. 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.

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 and distribution of proxy materials, interim communications, transaction reporting, customer communications and fulfillment services, as well as Matrix administrative services.

	Three Months Ended September 30,	
	2019	2018
	(In millions)	
Investor Communication Solutions		
Equity proxy	\$ 29.8	\$ 31.0
Mutual fund and exchange traded funds (“ETF”) interims	65.3	57.8
Customer communications and fulfillment	170.9	174.9
Other ICS	83.2	73.4
Total ICS Recurring fee revenues	349.2	337.1
Equity and other	17.5	24.1
Mutual funds	22.6	52.8
Total ICS Event-driven fee revenues	40.1	76.9
Distribution revenues	313.3	341.0
Total ICS Revenues	\$ 702.6	\$ 755.0
Global Technology and Operations		
Equities and other	\$ 230.9	\$ 198.4
Fixed income	43.1	40.0
Total GTO Recurring fee revenues	273.9	238.4
Foreign currency exchange	(28.0)	(20.7)
Total Revenues	\$ 948.6	\$ 972.8
Revenues by Type		
Recurring fee revenues	\$ 623.2	\$ 575.5
Event-driven fee revenues	40.1	76.9
Distribution revenues	313.3	341.0
Foreign currency exchange	(28.0)	(20.7)
Total Revenues	\$ 948.6	\$ 972.8

Contract Balances

The following table provides information about contract assets and liabilities:

	September 30, 2019	June 30, 2019
	(In millions)	
Contract assets	\$ 60.5	\$ 47.5
Contract liabilities	\$ 248.2	\$ 251.6

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 three months ended September 30, 2019, contract assets increased primarily due to an increase in software term license revenues recognized but not yet invoiced, while contract liabilities decreased primarily due to the timing of client payments vis-a-vis the timing of revenue recognized. The Company recognized \$71.6 million of revenue during the three months ended September 30, 2019 that was included in the contract liability balance as of June 30, 2019.

NOTE 4. WEIGHTED-AVERAGE SHARES OUTSTANDING

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.

For both the three months ended September 30, 2019 and 2018, respectively, there were no options to purchase Broadridge common stock that would have been anti-dilutive to exclude from the computation of diluted EPS.

The following table sets forth the denominators of the basic and diluted EPS computations (In millions):

	Three Months Ended September 30,	
	2019	2018
Weighted-average shares outstanding:		
Basic	114.4	116.4
Common stock equivalents	2.7	3.3
Diluted	117.1	119.7

NOTE 5. INTEREST EXPENSE, NET

Interest expense, net consisted of the following:

	Three Months Ended September 30,	
	2019	2018
	(In millions)	
Interest expense on borrowings	\$ (14.2)	\$ (10.2)
Interest income	1.0	0.6
Interest expense, net	\$ (13.1)	\$ (9.6)

NOTE 6. ACQUISITIONS

Assets acquired and liabilities assumed in business combinations are recorded on the Company’s Condensed 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 Condensed 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.

Pro forma supplemental financial information for all acquisitions 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.

During the three months ended September 30, 2019, there were no material acquisitions.

The following represents the fiscal year 2019 acquisitions:

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	0.5	45.0	—	45.5
Contingent consideration liability	7.0	0.8	—	7.9
Aggregate purchase price	\$ 42.4	\$ 304.1	\$ 61.5	\$ 408.0
Net tangible assets acquired / (liabilities assumed)	\$ (2.5)	\$ 10.8	\$ —	\$ 8.3
Goodwill	30.7	181.6	27.1	239.4
Intangible assets	14.2	111.7	34.4	160.3
Aggregate purchase price	\$ 42.4	\$ 304.1	\$ 61.5	\$ 408.0

Rockall Technologies Limited (“Rockall”)

In May 2019, the Company completed the acquisition of 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.

- 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.
- In the first quarter of fiscal year 2020, the Company settled deferred payment obligations totaling \$0.5 million.

RPM Technologies (“RPM”)

In June 2019, Broadridge acquired RPM, a leading Canadian provider of enterprise wealth management software solutions and services. The acquisition brings 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.
- In the first quarter of fiscal year 2020, the Company settled deferred payment obligations totaling \$40.9 million with a remaining expected payment obligation of approximately \$4.0 million.

The allocation of the purchase price 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.

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 values 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 September 30, 2019 and June 30, 2019, respectively, that are recorded at fair value, segregated by level within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	(In millions)			
Assets:				
Cash and cash equivalents:				
Money market funds (1)	\$ 122.9	\$ —	\$ —	\$ 122.9
Other current assets:				
Securities	0.3	—	—	0.3
Other non-current assets:				
Securities	95.8	—	—	95.8
Total assets as of September 30, 2019	<u>\$ 219.0</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 219.0</u>
Liabilities:				
Contingent consideration obligations	—	—	26.5	26.5
Total liabilities as of September 30, 2019	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 26.5</u>	<u>\$ 26.5</u>

	Level 1	Level 2	Level 3	Total
	(In millions)			
Assets:				
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>
Liabilities:				
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>

(1) Money market funds include money market deposit account balances of \$82.3 million and \$30.1 million as of September 30, 2019 and June 30, 2019, respectively.

In addition, the Company has non-marketable securities with a carrying amount of \$32.1 million and \$12.9 million as of September 30, 2019 and June 30, 2019, respectively, 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 the three months ended September 30, 2019 and 2018, respectively, in Level 3 financial liabilities of the Company:

	Three Months Ended September 30,	
	2019	2018
	(In millions)	
Beginning balance	\$ 28.4	\$ 18.6
Additional contingent consideration incurred	—	—
Net increase (decrease) in contingent consideration liability	—	—
Foreign currency impact on contingent consideration liability	(0.4)	(0.4)
Payments	(1.5)	(0.2)
Ending balance	<u>\$ 26.5</u>	<u>\$ 18.1</u>

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. LEASES

The Company's leases consist primarily of real estate leases for office space in locations where the Company maintains operations, and are classified as operating leases.

The Company evaluates each lease and service arrangement at inception to determine if the arrangement is, or contains, a lease. A lease exists if the Company obtains substantially all of the economic benefits of and has the right to control the use of an asset for a period of time. The lease term begins on the commencement date, which is the date the Company takes possession of the leased property and also classifies the lease as either operating or finance, and may include options to extend or terminate the lease if exercise of the option to extend or terminate the lease is considered to be reasonably certain. The Company's options to extend or terminate a lease generally do not exceed five years. The lease term is used both to determine lease classification as an operating or finance lease and to calculate straight-line lease expense for operating leases. The weighted average remaining operating lease term as of September 30, 2019 was 9.1 years.

ROU assets represent the Company's right to use an underlying asset for the lease term while lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at commencement date based on the present value of fixed lease payments over the lease term. ROU assets also include prepaid lease payments and exclude lease incentives received. Certain leases require the Company to pay taxes, insurance, maintenance, and/or other operating expenses associated with the leased asset. Such amounts are not included in the measurement of the lease liability to the extent they are variable in nature (e.g. based on actual costs incurred). These variable lease costs are recognized as a variable lease expense when incurred. As the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate to measure the lease liability and the associated ROU asset at commencement date. The incremental borrowing rate was determined based on the rate of interest that the Company would have to pay to borrow an amount equal to the lease payments on a collateralized basis over a similar term. The Company uses the unsecured borrowing rate and risk-adjusts that rate to approximate a collateralized rate. The weighted average discount rate used in measurement of the Company's operating lease liabilities as of September 30, 2019 was 3.1%.

Supplemental Balance Sheet Information

	September 30, 2019 (In millions)
Assets:	
Operating lease ROU assets (1)	\$ 228.1
Liabilities:	
Operating lease liabilities (1) - Current	\$ 29.9
Operating lease liabilities (1) - Non-current	214.9
Total Operating lease liabilities	<u>\$ 244.8</u>

(1) Operating lease assets are included within Other non-current assets, and operating lease liabilities are included within Payables and accrued expenses (current portion) and Other non-current liabilities (non-current portion) in the Company's Condensed Consolidated Balance Sheets as of September 30, 2019.

Components of Lease Cost (1)

	Three Months Ended September 30, 2019 (In millions)
Operating lease cost	\$ 8.2
Variable lease cost	\$ 6.1

(1) Lease cost is included within Cost of revenues and Selling, general and administrative expenses, dependent upon the nature and use of the ROU asset, in the Company's Condensed Consolidated Statements of Earnings.

Supplemental Cash Flow Information

	Three Months Ended September 30, 2019 (In millions)
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash outflows from operating leases	\$ 6.7
Right-of-use assets obtained in exchange for operating lease liabilities	\$ —

Maturity of Lease Liabilities under Accounting Standards Codification (“ASC”) 842 (Leases)

Future rental payments on leases with initial non-cancellable lease terms in excess of one year were due as follows at September 30, 2019:

Years Ending June 30,	Operating Leases (1) (In millions)
2020	\$ 27.8
2021	35.7
2022	32.0
2023	29.7
2024	28.1
Thereafter	130.7
Total lease payments	284.0
Less: Discount Amount	39.2
Present value of operating lease liabilities	\$ 244.8

(1) Operating lease payments exclude \$103.4 million of legally binding lease payments for real estate leases signed but not yet commenced. Operating leases that have been signed but not yet commenced are expected to commence in the third quarter of fiscal 2020, with a lease term of 15 years.

Maturity of Lease Liabilities under ASC 840 (Leases)

Future minimum rental payments on leases with initial non-cancellable lease terms in excess of one year were due as follows at June 30, 2019:

Years Ending June 30,	(In millions)
2020	\$ 46.8
2021	45.2
2022	39.5
2023	35.9
2024	34.7
Thereafter	204.4
Total lease payments	\$ 406.5

Rent expense for all operating leases was \$49.0 million and \$50.4 million during the year ended June 30, 2019 and 2018, respectively.

NOTE 9. OTHER NON-CURRENT ASSETS

Other non-current assets consisted of the following:

	September 30, 2019	June 30, 2019
	(In millions)	
Deferred client conversion and start-up costs	\$ 291.4	\$ 254.7
ROU assets (a)	228.1	—
Long-term investments	133.2	100.4
Deferred sales commissions costs	93.4	95.5
Contract assets	60.5	47.5
Deferred data center costs (b)	27.4	29.0
Long-term broker fees	34.4	35.3
Other	28.4	30.6
Total	<u>\$ 896.9</u>	<u>\$ 593.1</u>

(a) ROU assets represent the Company's right to use an underlying asset for the lease term. Please refer to Note 8, "Leases" for a further discussion.

(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 15, "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 during the three months ended September 30, 2019 and 2018, were \$17.3 million and \$15.7 million, respectively.

NOTE 10. PAYABLES AND ACCRUED EXPENSES

Payables and accrued expenses consisted of the following:

	September 30, 2019	June 30, 2019
	(In millions)	
Accounts payable	\$ 89.6	\$ 133.7
Employee compensation and benefits	141.2	232.2
Accrued broker fees	48.7	87.0
Accrued taxes	22.3	68.9
Accrued dividend payable	61.8	55.4
Managed services administration fees	55.2	53.1
Customer deposits	38.1	34.8
Operating lease liabilities	29.9	—
Other	61.1	46.6
Total	<u>\$ 547.9</u>	<u>\$ 711.7</u>

NOTE 11. BORROWINGS

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

	Expiration Date	Principal amount outstanding at September 30, 2019	Carrying value at September 30, 2019	Carrying value at June 30, 2019	Unused Available Capacity	Fair Value at September 30, 2019
(In millions)						
Current portion of long-term debt						
Fiscal 2014 Senior Notes(a)	September 2020	\$ 400.0	\$ 399.4	\$ —	\$ —	\$ 406.3
Total		\$ 400.0	\$ 399.4	\$ —	\$ —	\$ 406.3
Long-term debt, excluding current portion						
Fiscal 2019 Revolving Credit Facility:						
U.S. dollar tranche	March 2024	\$ 630.0	\$ 630.0	\$ 360.0	\$ 470.0	\$ 630.0
Multicurrency tranche	March 2024	243.2	243.2	215.7	156.8	243.2
Total Revolving Credit Facility		873.2	873.2	575.7	626.8	873.2
Fiscal 2014 Senior Notes(a)	September 2020	—	—	399.2	—	—
Fiscal 2016 Senior Notes	June 2026	500.0	495.6	495.5	—	519.0
Total Senior Notes		500.0	495.6	894.7	—	519.0
Total long-term debt		\$ 1,373.2	\$ 1,368.8	\$ 1,470.4	\$ 626.8	\$ 1,392.2
Total debt		\$ 1,773.2	\$ 1,768.2	\$ 1,470.4	\$ 626.8	\$ 1,798.5

(a) The Fiscal 2014 Senior Notes were reclassified from Long-term debt to Current portion of long-term debt in September 2019 to reflect the remaining maturity of less than a year.

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	\$ —	\$ —	\$ 873.2	\$ 500.0	\$ 1,773.2

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.

The weighted-average interest rate on the Revolving Credit Facilities was 3.12% for the three months ended September 30, 2019 and 2.97% for the three months ended September 30, 2018. The fair value of the variable-rate Fiscal 2019 Revolving Credit Facility borrowings at September 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. 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 \$2.3 million in costs to establish the Fiscal 2019 Revolving Credit Facility. As of September 30, 2019, \$3.4 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 Condensed 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 September 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 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 September 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 September 30, 2019 and June 30, 2019, \$0.5 million and \$0.7 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 September 30, 2019 and June 30, 2019 was \$406.3 million and \$405.4 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”).

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 September 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 September 30, 2019 and June 30, 2019, \$2.9 million and \$3.0 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 September 30, 2019 and June 30, 2019 was \$519.0 million and \$509.8 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”).

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 September 30, 2019 and June 30, 2019, there were no outstanding borrowings under these lines of credit.

NOTE 12. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities consisted of the following:

	September 30, 2019	June 30, 2019
	(In millions)	
Operating lease liabilities	\$ 214.9	\$ —
Post-employment retirement obligations	136.0	130.8
Non-current income taxes	40.6	40.5
Acquisition related contingencies	8.7	26.3
Other	16.1	35.3
Total	<u>\$ 416.3</u>	<u>\$ 232.8</u>

NOTE 13. STOCK-BASED COMPENSATION

The activity related to the Company's incentive equity awards for the three months ended September 30, 2019 consisted of the following:

	Stock Options		Time-based Restricted Stock Units		Performance-based Restricted Stock Units	
	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
Balances at July 1, 2019	4,201,614	\$ 63.85	819,299	\$ 92.15	325,777	\$ 97.43
Granted	—	—	4,120	120.00	—	—
Exercise of stock options (a)	(364,973)	49.91	—	—	—	—
Vesting of restricted stock units	—	—	(412)	95.78	—	—
Expired/forfeited	(5,017)	62.54	(8,405)	120.98	(5,318)	68.24
Balances at September 30, 2019 (b),(c)	<u>3,831,624</u>	<u>\$ 65.18</u>	<u>814,602</u>	<u>\$ 91.99</u>	<u>320,459</u>	<u>\$ 97.91</u>

- (a) Stock options exercised during the period of July 1, 2019 through September 30, 2019 had an aggregate intrinsic value of \$28.1 million.
- (b) As of September 30, 2019, the Company's outstanding vested and currently exercisable stock options using the September 30, 2019 closing stock price of \$124.43 (approximately 2.0 million shares) had an aggregate intrinsic value of \$160.6 million with a weighted-average exercise price of \$44.93 and a weighted-average remaining contractual life of 4.8 years. The total of all stock options outstanding as of September 30, 2019 have a weighted-average remaining contractual life of 6.4 years.
- (c) As of September 30, 2019, time-based restricted stock units and performance-based restricted stock units expected to vest using the September 30, 2019 closing stock price of \$124.43 (approximately 0.8 million and 0.3 million shares, respectively) had an aggregate intrinsic value of \$97.3 million and \$39.1 million, respectively. Performance-based restricted stock units 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 Company has stock-based compensation plans under which the Company annually grants stock option and restricted stock unit awards. 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, with the measurement of stock-based compensation expense recognized in Net earnings based on the fair value of the award on the date of grant. Stock-based compensation expense of \$11.8 million and \$10.7 million, as well as related expected tax benefits of \$2.6 million and \$2.4 million were recognized for the three months ended September 30, 2019 and 2018, respectively.

As of September 30, 2019, the total remaining unrecognized compensation cost related to non-vested stock options and restricted stock unit awards amounted to \$14.7 million and \$39.7 million, respectively, which will be amortized over the weighted-average remaining requisite service periods of 2.6 years and 1.4 years, respectively.

For stock options granted, 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, 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.

NOTE 14. INCOME TAXES

The provision for income taxes for the three months ended September 30, 2019 was \$7.9 million compared to \$12.6 million for the three months ended September 30, 2018.

The effective tax rate for the three months ended September 30, 2019 was 12.4% compared to 14.1% for the three months ended September 30, 2018.

The decrease in the effective tax rate for the three months ended September 30, 2019 was primarily driven by the impact of discrete tax items relative to pre-tax income, including excess tax benefits of \$5.7 million for the three months ended September 30, 2019 compared to \$7.0 million for the three months ended September 30, 2018.

NOTE 15. CONTRACTUAL COMMITMENTS, CONTINGENCIES AND OFF-BALANCE SHEET ARRANGEMENTS

Data Center Agreements

In March 2010, the Company and 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 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 September 30, 2019 are \$277.8 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 September 30, 2019 are \$19.4 million through fiscal year 2024, the final year of the contract.

Investments

The Company contributed \$0.8 million to an equity method investment during the three months ended September 30, 2019, and has a remaining commitment of \$0.8 million to fund this investment at September 30, 2019. At September 30, 2019, the Company also has a future commitment to fund \$3.9 million to one of the Company’s investees.

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 at September 30, 2019 or at June 30, 2019.

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 SEC 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 September 30, 2019, BBPO was in compliance with this net 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 September 30, 2019, BBPO was in compliance with this net 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 September 30, 2019, Matrix Trust Company was in compliance with its capital requirements.

NOTE 16. 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) for the three months ended September 30, 2019, and 2018, respectively:

	Foreign Currency Translation	Pension and Post- Retirement Liabilities	Total
(In millions)			
Balances at July 1, 2019	\$ (58.3)	\$ (12.9)	\$ (71.2)
Other comprehensive income/(loss) before reclassifications	(8.7)	—	(8.7)
Amounts reclassified from accumulated other comprehensive income/(loss)	—	0.4	0.4
Balances at September 30, 2019	<u>\$ (66.9)</u>	<u>\$ (12.6)</u>	<u>\$ (79.5)</u>

	Foreign Currency Translation	Pension and Post- Retirement Liabilities	Total
(In millions)			
Balances at July 1, 2018	\$ (43.2)	\$ (10.2)	\$ (53.5)
Other comprehensive income/(loss) before reclassifications	(10.1)	—	(10.1)
Amounts reclassified from accumulated other comprehensive income/(loss)	—	—	—
Balances at September 30, 2018	<u>\$ (53.3)</u>	<u>\$ (10.2)</u>	<u>\$ (63.5)</u>

NOTE 17. INTERIM 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 first quarter of fiscal year 2020, in order to further align our portfolio of services, the results for the Company's wealth management Advisor Solutions 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 for the three months ended September 30, 2018 have been revised to reflect this change, which resulted in transferring \$10.7 million of revenues and \$0.2 million of earnings before income taxes between reportable segments.

Segment results:

		Revenues	
		Three Months Ended September 30,	
		2019	2018
		(In millions)	
Investor Communication Solutions	\$	702.6	\$ 755.0
Global Technology and Operations		273.9	238.4
Foreign currency exchange		(28.0)	(20.7)
Total	\$	948.6	\$ 972.8

		Earnings (Loss) before Income Taxes	
		Three Months Ended September 30,	
		2019	2018
		(In millions)	
Investor Communication Solutions	\$	23.0	\$ 58.8
Global Technology and Operations		56.4	46.5
Other		(21.1)	(23.2)
Foreign currency exchange		5.6	7.1
Total	\$	63.8	\$ 89.3

NOTE 18. SUBSEQUENT EVENTS

On October 1, 2019, the Company acquired Shadow Financial Systems, Inc., a provider of multi-asset class post-trade solutions for the capital markets industry. The acquisition builds upon Broadridge's post-trade processing capabilities by adding a market-ready solution for exchanges, inter-dealer brokers and proprietary trading firms. In addition, the acquisition adds capabilities across exchange traded derivatives and cryptocurrency. The purchase price was approximately \$39.0 million subject to normal closing adjustments.

On November 1, 2019, the Company acquired Fi360, a provider of fiduciary and Regulation Best Interest solutions for the wealth and retirement industry, including the accreditation and continuing education for the Accredited Investment Fiduciary® Designation, the leading designation focused on fiduciary responsibility. The acquisition will enhance Broadridge's existing retirement solutions by providing wealth and retirement advisors with fiduciary tools that will complement its Matrix trust and trading platform. The acquisition also is expected to further strengthen Broadridge's data and analytics tools and solutions suite that enable asset managers to grow their businesses by providing greater transparency into the retirement market. The purchase price was approximately \$120.0 million subject to normal closing adjustments.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our Condensed Consolidated Financial Statements and accompanying Notes thereto included elsewhere herein.

Forward-Looking Statements

This Quarterly Report on Form 10-Q 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 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 our Annual Report on Form 10-K for the fiscal year ended June 30, 2019 which was filed with the Securities and Exchange Commission ("SEC") on August 6, 2019 (the "2019 Annual Report"), 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 Quarterly Report on Form 10-Q and are expressly qualified in their entirety by the cautionary statements included in this Quarterly Report on Form 10-Q and the 2019 Annual Report. 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.

Overview

Broadridge, 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. 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, wealth management firms and corporate issuers. 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 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, wealth management firms and corporate issuers. 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 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.

We also provide customer communications solutions which include print and digital solutions, content management, postal optimization, and fulfillment services. The Broadridge Communications CloudSM (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.

Consolidation and Basis of Presentation

The Condensed Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in the United States of America ("U.S."). These Condensed Consolidated Financial Statements present the condensed 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.

The results of operations reported for interim periods are not necessarily indicative of the results of operations for the entire year or any subsequent interim period. These Condensed Consolidated Financial Statements should be read in conjunction with the Company's Consolidated Financial Statements for the fiscal year ended June 30, 2019 in the 2019 Annual Report.

Effective July 1, 2019, the Company adopted Financial Accounting Standards Board (the "FASB") Accounting Standards Update ("ASU") No. 2016-02, "Leases" and its related amendments (collectively referred to as "ASU 2016-02, as amended") by recognizing a right-of-use ("ROU") asset and corresponding lease liability, along with a cumulative-effect adjustment to the opening balance of retained earnings, in the period of adoption. Under this method of adoption, the Company has not restated the prior period Condensed Consolidated Financial Statements presented to the current period presentation. Additional information about the impact of the Company's adoption of ASU No. 2016-02, as amended is included in Note 2, "New Accounting Pronouncements" and Note 8, "Leases."

Critical Accounting Policies

In presenting the Condensed 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 Condensed 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. In management's opinion, the Condensed 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. Certain accounting policies that require significant management estimates and are deemed critical to our results of operations or financial position are discussed in the "Critical Accounting Policies" section of Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the 2019 Annual Report.

Results of Operations

The following discussions of Analysis of Condensed Consolidated Statements of Earnings and Analysis of Reportable Segments refer to the three months ended September 30, 2019 compared to the three months ended September 30, 2018. The Analysis of Condensed Consolidated Statements of Earnings should be read in conjunction with the Analysis of Reportable Segments, which provides a more detailed discussion concerning certain components of the Condensed Consolidated Statements of Earnings.

The following references are utilized in the discussions of Analysis of Condensed 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.

“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.
- **Equity 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.

Generally, mutual fund proxy activity has been subject to a greater level of volatility than the other components of event-driven activity. For the three months ended September 30, 2019, mutual fund proxy fee revenues were 61% lower compared to the three months ended September 30, 2018. During the fiscal years 2019, mutual fund proxy fee revenues were 14% lower 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. We report Closed sales net of a 4.0% allowance adjustment. Consequently, our reported Closed sales amounts will not be adjusted for actual revenues achieved because these adjustments are estimated in the period the sale is reported. We assess this allowance amount at the end of each fiscal year to establish the appropriate allowance for the subsequent year using the trailing five years actual data as the starting point, normalized for outlying factors, if any, to enhance the accuracy of the allowance.

Closed sales for the three months ended September 30, 2019 were \$37.6 million, an increase of \$19.2 million or 103%, compared to \$18.5 million for the three months ended September 30, 2018. Closed sales for the three months ended September 30, 2019 are net of an allowance adjustment of \$1.6 million.

Analysis of Condensed Consolidated Statements of Earnings

Three Months Ended September 30, 2019 versus Three Months Ended September 30, 2018

The table below presents Condensed Consolidated Statements of Earnings data for the three months ended September 30, 2019 and 2018, and the dollar and percentage changes between periods:

	Three Months Ended September 30,			
	2019	2018	Change	
			\$	%
(In millions, except per share amounts)				
Revenues	\$ 948.6	\$ 972.8	\$ (24.2)	(2)
Cost of revenues	727.5	739.0	(11.5)	(2)
Selling, general and administrative expenses	148.0	133.7	14.3	11
Total operating expenses	875.4	872.7	2.8	—
Operating income	73.1	100.1	(27.0)	(27)
Margin	7.7 %	10.3 %		
Interest expense, net	(13.1)	(9.6)	(3.5)	36
Other non-operating income (expenses), net	3.8	(1.2)	5.0	NM
Earnings before income taxes	63.8	89.3	(25.5)	(29)
Provision for income taxes	7.9	12.6	(4.7)	(37)
Effective tax rate	12.4 %	14.1 %		
Net earnings	\$ 55.9	\$ 76.7	\$ (20.8)	(27)
Basic earnings per share	\$ 0.49	\$ 0.66	\$ (0.17)	(26)
Diluted earnings per share	\$ 0.48	\$ 0.64	\$ (0.16)	(25)
Weighted average shares outstanding:				
Basic	114.4	116.4		
Diluted	117.1	119.7		

NM - Not meaningful

Revenues

Revenues decreased \$24.2 million, or 2%, to \$948.6 million from \$972.8 million as a result of:

	Three Months Ended September 30,			
			Change	
	2019	2018	\$	%
	(In millions)			
Recurring fee revenues	\$ 623.2	\$ 575.5	\$ 47.6	8
Event-driven fee revenues	40.1	76.9	(36.8)	(48)
Distribution revenues	313.3	341.0	(27.8)	(8)
Foreign currency exchange	(28.0)	(20.7)	(7.3)	35
Total	<u>\$ 948.6</u>	<u>\$ 972.8</u>	<u>\$ (24.2)</u>	<u>(2)</u>
	Points of Growth			
	Net New Business	Internal Growth	Acquisitions	Total
Recurring fee revenue Growth Drivers	3pts	(1)pt	6pts	8 %

- Recurring fee revenue growth from acquisitions is primarily due to the acquisition of RPM, which includes software license sales.
- Event-driven fee revenues decreased \$36.8 million primarily due to lower mutual fund proxy activity.
- Distribution revenues decreased \$27.8 million primarily due to the decrease in event-driven fee revenues.
- The strengthening of the U.S. dollar against other currencies negatively impacted revenues by \$7.3 million.

Total operating expenses. Operating expenses increased \$2.8 million, or 0%, to \$875.4 million from \$872.7 million as a result of an increase in selling, general and administrative expenses, partially offset by a decrease in cost of revenues:

- Cost of revenues - The decrease of \$11.5 million in cost of revenues primarily reflects lower distribution expenses and lower expenses related to event-driven fee revenues, partially offset by higher operating costs from acquisitions. Fluctuations in foreign currency exchange rates decreased cost of revenues by \$4.0 million.
- Selling, general and administrative expenses - The increase of \$14.3 million in selling, general, and administrative expenses primarily reflects impact of acquisitions and higher depreciation and amortization expense. Fluctuations in foreign currency exchange rates decreased selling, general and administrative expenses by \$1.8 million.

Interest expense, net. Interest expense, net was \$13.1 million, an increase of \$3.5 million, from \$9.6 million for the three months ended September 30, 2018. The increase of \$3.5 million was due to an increase in interest expense due to higher borrowings, partially offset by an increase in interest income.

Other non-operating income (expenses), net. Other non-operating income, net for the three months ended September 30, 2019 was \$3.8 million, compared to other non-operating expense, net of \$1.2 million for the three months ended September 30, 2018. The increase was primarily due to higher investment gains in the current period.

Provision for income taxes.

- Effective tax rate for the three months ended September 30, 2019 - 12.4%
- Effective tax rate for the three months ended September 30, 2018 - 14.1%

The decrease in the effective tax rate for the three months ended September 30, 2019 was primarily driven by the impact of discrete tax items relative to pre-tax income, including excess tax benefits of \$5.7 million for the three months ended September 30, 2019 compared to \$7.0 million for the three months ended September 30, 2018.

Analysis of Reportable Segments

Broadridge has two reportable 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.

In connection with an organizational change made in the first quarter of fiscal year 2020, in order to further align our portfolio of services, the results for the Company's wealth management Advisor Solutions 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 for the three months ended September 30, 2018 have been revised to reflect this change, which resulted in transferring \$10.7 million of revenues and \$0.2 million of earnings before income taxes between reportable segments.

Revenues

	Three Months Ended September 30,			
			Change	
	2019	2018	\$	%
	(In millions)			
Investor Communication Solutions	\$ 702.6	\$ 755.0	\$ (52.4)	(7)
Global Technology and Operations	273.9	238.4	35.5	15
Foreign currency exchange	(28.0)	(20.7)	(7.3)	35
Total	\$ 948.6	\$ 972.8	\$ (24.2)	(2)

Earnings Before Income Taxes

	Three Months Ended September 30,			
	2019	2018	Change	
			\$	%
			(In millions)	
Investor Communication Solutions	\$ 23.0	\$ 58.8	\$ (35.9)	(61)
Global Technology and Operations	56.4	46.5	9.9	21
Other	(21.1)	(23.2)	2.0	(9)
Foreign currency exchange	5.6	7.1	(1.5)	(21)
Total	\$ 63.8	\$ 89.3	\$ (25.5)	(29)

Investor Communication Solutions

Three Months Ended September 30, 2019 versus Three Months Ended September 30, 2018

Revenues decreased \$52.4 million to \$702.6 million from \$755.0 million, and earnings before income taxes decreased \$35.9 million to \$23.0 million from \$58.8 million:

	Three Months Ended September 30,			
	2019	2018	Change	
			\$	%
(In millions)				
Revenues				
Recurring fee revenues	\$ 349.2	\$ 337.1	\$ 12.1	4
Event-driven fee revenues	40.1	76.9	(36.8)	(48)
Distribution revenues	313.3	341.0	(27.8)	(8)
Total	<u>\$ 702.6</u>	<u>\$ 755.0</u>	<u>\$ (52.4)</u>	<u>(7)</u>
Earnings Before Income Taxes				
Earnings before income taxes	<u>\$ 23.0</u>	<u>\$ 58.8</u>	<u>\$ (35.9)</u>	<u>(61)</u>
Pre-tax Margin	3.3 %	7.8 %		
Points of Growth				
	Net New Business	Internal Growth	Acquisitions	Total
Recurring fee revenue Growth Drivers	3pts	(1)pt	2pts	4 %

- Recurring fees grew 4% driven by the combination of organic growth and acquisition growth. Mutual fund and ETF interims, which is a component of internal growth, grew 1%.
- Lower event-driven fee revenues were primarily due to decreased mutual fund proxy activity.
- Lower distribution revenues resulted primarily from the decrease in event-driven revenues.
- The earnings decrease was primarily due to lower event-driven fee revenues more than offsetting the contribution from higher recurring fee revenues.

Global Technology and Operations

Three Months Ended September 30, 2019 versus Three Months Ended September 30, 2018

Revenues increased \$35.5 million to \$273.9 million from \$238.4 million, and earnings before income taxes increased \$9.9 million to \$56.4 million from \$46.5 million as a result of:

	Three Months Ended September 30,			
	2019	2018	Change	
			\$	%
(In millions)				
Revenues				
Recurring fee revenues	\$ 273.9	\$ 238.4	\$ 35.5	15
Earnings Before Income Taxes				
Earnings before income taxes	\$ 56.4	\$ 46.5	\$ 9.9	21
Pre-tax Margin	20.6 %	19.5 %		
Points of Growth				
	Net New Business	Internal Growth	Acquisitions	Total
Recurring fee revenue Growth Drivers	3pts	(0)pt	12pts	15 %

- The earnings increase was primarily due to higher revenues from acquisitions, including software license sales, and higher organic revenues, partially offset by the impact of expenditures to implement and support new business.

Other

Loss before income taxes was \$21.1 million for the three months ended September 30, 2019, a decrease of \$2.0 million, or 9%, compared to \$23.2 million for the three months ended September 30, 2018.

- The decreased loss before income taxes was primarily due to an increase in investment gains and lower corporate expenses, partially offset by 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 Quarterly Report on Form 10-Q 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, and (ii) Acquisition and Integration Costs.

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.

We 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 Flow

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):

	Three Months Ended September 30,	
	2019	2018
	(In millions)	
Operating income (GAAP)	\$ 73.1	\$ 100.1
Adjustments:		
Amortization of Acquired Intangibles and Purchased Intellectual Property	28.1	21.9
Acquisition and Integration Costs	2.5	0.9
Adjusted Operating income (Non-GAAP)	\$ 103.7	\$ 122.9
Operating income margin (GAAP)	7.7 %	10.3 %
Adjusted Operating income margin (Non-GAAP)	10.9 %	12.6 %

	Three Months Ended September 30,	
	2019	2018
	(In millions)	
Net earnings (GAAP)	\$ 55.9	\$ 76.7
Adjustments:		
Amortization of Acquired Intangibles and Purchased Intellectual Property	28.1	21.9
Acquisition and Integration Costs	2.5	0.9
Taxable adjustments	30.6	22.8
Tax impact of adjustments (a)	(6.5)	(5.0)
Adjusted Net earnings (Non-GAAP)	\$ 80.0	\$ 94.5

	Three Months Ended September 30,	
	2019	2018
Diluted earnings per share (GAAP)	\$ 0.48	\$ 0.64
Adjustments:		
Amortization of Acquired Intangibles and Purchased Intellectual Property	0.24	0.18
Acquisition and Integration Costs	0.02	0.01
Taxable adjustments	0.26	0.19
Tax impact of adjustments (a)	(0.06)	(0.04)
Adjusted earnings per share (Non-GAAP)	\$ 0.68	\$ 0.79

(a) Calculated using the GAAP effective tax rate, adjusted to exclude \$5.7 million of excess tax benefits associated with stock-based compensation for the three months ended September 30, 2019, and \$7.0 million of excess tax benefits associated with stock-based compensation for the three months ended September 30, 2018. For purposes of calculating the Adjusted earnings per share, the same adjustments were made on a per share basis.

	Three Months Ended September 30,	
	2019	2018
	(In millions)	
Net cash flows used in operating activities (GAAP)	\$ (86.4)	\$ (95.5)
Capital expenditures and Software purchases and capitalized internal use software	(20.2)	(15.5)
Free cash flow (Non-GAAP)	\$ (106.7)	\$ (111.0)

Financial Condition, Liquidity and Capital Resources

Cash and cash equivalents consisted of the following:

	September 30, 2019		June 30, 2019	
			(In millions)	
Cash and cash equivalents:				
Domestic cash	\$	183.7	\$	95.5
Cash held by foreign subsidiaries		90.2		99.8
Cash held by regulated entities		84.4		77.9
Total cash and cash equivalents	\$	358.3	\$	273.2

At September 30, 2019, Cash and cash equivalents were \$358.3 million and Total stockholders' equity was \$1,143.4 million. At September 30, 2019, net working capital was \$54.3 million compared to \$239.8 million at June 30, 2019. At the current time, and in future periods, we expect cash generated by our operations, together with existing cash, cash equivalents, and borrowings from the capital markets, to be sufficient to cover cash needs for working capital, capital expenditures, strategic acquisitions, dividends and common stock repurchases. At September 30, 2019, \$90.2 million of the \$358.3 million of Cash and cash equivalents were held by our foreign subsidiaries, and \$84.4 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 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 the foreseeable future. If these funds are needed for our operations in the U.S., we may be required to pay 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 September 30, 2019	Carrying value at September 30, 2019	Carrying value at June 30, 2019	Unused Available Capacity	Fair Value at September 30, 2019
(In millions)						
Current portion of long-term debt						
Fiscal 2014 Senior Notes(a)	September 2020	\$ 400.0	\$ 399.4	\$ —	\$ —	\$ 406.3
		\$ 400.0	\$ 399.4	\$ —	\$ —	\$ 406.3
Long-term debt, excluding current portion						
Fiscal 2019 Revolving Credit Facility:						
U.S. dollar tranche	March 2024	\$ 630.0	\$ 630.0	\$ 360.0	\$ 470.0	\$ 630.0
Multicurrency tranche	March 2024	243.2	243.2	215.7	156.8	243.2
Total Revolving Credit Facility		\$ 873.2	\$ 873.2	\$ 575.7	\$ 626.8	\$ 873.2
Fiscal 2014 Senior Notes(a)	September 2020	—	—	\$ 399.2	—	—
Fiscal 2016 Senior Notes	June 2026	500.0	495.6	495.5	—	519.0
Total Senior Notes		\$ 500.0	\$ 495.6	\$ 894.7	\$ —	\$ 519.0
Total long-term debt		\$ 1,373.2	\$ 1,368.8	\$ 1,470.4	\$ 626.8	\$ 1,392.2
Total debt		\$ 1,773.2	\$ 1,768.2	\$ 1,470.4	\$ 626.8	\$ 1,798.5

(a) The Fiscal 2014 Senior Notes were reclassified from Long-term debt to Current portion of long-term debt in September 2019 to reflect the remaining maturity of less than a year.

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	\$ —	\$ —	\$ 873.2	\$ 500.0	\$ 1,773.2

The Company has 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 \$400.0 million multicurrency tranche. 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.

The Fiscal 2019 Revolving Credit Facility and the 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 each year based on a fixed per annum rate equal to 3.95%. Interest on the senior notes due 2026 is payable semiannually on June 27th and December 27th 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.

Cash Flows

	Three Months Ended September 30,		
	2019	2018	Change \$
	(In millions)		
Net cash flows used in operating activities	\$ (86.4)	\$ (95.5)	\$ 9.0
Net cash flows used in investing activities	\$ (86.3)	\$ (16.3)	\$ (70.0)
Net cash flows provided by financing activities	\$ 258.1	\$ 54.2	\$ 203.9
Free cash flow:			
Net cash flows used in operating activities (GAAP)	\$ (86.4)	\$ (95.5)	\$ 9.0
Capital expenditures and Software purchases and capitalized internal use software	(20.2)	(15.5)	(4.7)
Free cash flow (Non-GAAP)	<u>\$ (106.7)</u>	<u>\$ (111.0)</u>	<u>\$ 4.3</u>

The decrease in cash used in operating activities of \$9.0 million in the three months ended September 30, 2019, as compared to the three months ended September 30, 2018, was primarily due to improvement in working capital, partially offset by a decrease in net earnings and increased spend on client implementations.

The increase in cash used in investing activities of \$70.0 million in the three months ended September 30, 2019, as compared to the three months ended September 30, 2018, primarily reflects an increase in cash used in recent acquisitions and other related investments.

The increase in cash provided by financing activities of \$203.9 million in the three months ended September 30, 2019 as compared to the three months ended September 30, 2018 primarily reflects an increase in debt proceeds, net of debt repayments, and higher proceeds from the exercise of stock options, partially offset by higher dividends paid.

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 ASU No. 2014-09, resulting in the majority of our revenues from equity proxy services being recognized in the third and fourth 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.

Contractual Obligations

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 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 September 30, 2019 are \$277.8 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 September 30, 2019 are \$19.4 million through fiscal year 2024, the final year of the contract.

The Company contributed \$0.8 million to an equity method investment during the three months ended September 30, 2019, and has a remaining commitment of \$0.8 million to fund this investment at September 30, 2019. At September 30, 2019, the Company also has a future commitment to fund \$3.9 million to one of the Company’s investees.

Other Commercial Agreements

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

Recently-issued Accounting Pronouncements

Please refer to Note 2, “New Accounting Pronouncements” and Note 8, “Leases” to our Condensed Consolidated Financial Statements under Item 1. of Part I of this Quarterly Report on Form 10-Q, for a discussion on the impact of new accounting pronouncements, including the impact of ASU No. 2016-02, as amended.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes related to market risk from the disclosures in the 2019 Annual Report.

Item 4. CONTROLS AND PROCEDURES

Management's Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our President and Chief Executive Officer, and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2019. The President and Chief Executive Officer, and the Chief Financial Officer, concluded that our disclosure controls and procedures as of September 30, 2019 were effective to provide reasonable assurance that the information required to be disclosed by us in reports filed under the Securities Exchange Act of 1934, as amended (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 our Chief Financial Officer, as appropriate, to allow timely decisions regarding disclosure.

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 three months ended September 30, 2019 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION**Item 1. 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 1A. RISK FACTORS

In addition to the information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the “Risk Factors” disclosed under Item 1A. to Part I in our 2019 Annual Report. You should be aware that these risk factors and other information may not describe every risk facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results. There have been no material changes to the risk factors we have disclosed in the “Risk Factors” section of our 2019 Annual Report.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**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 first fiscal quarter ended September 30, 2019:

<u>Period</u>	<u>Total Number of Shares Purchased (1)</u>	<u>Average Price Paid per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)</u>	<u>Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (2)</u>
July 1, 2019 - July 31, 2019	19	\$ 132.25	—	10,000,000
August 1, 2019 - August 31, 2019	—	—	—	10,000,000
September 1, 2019 - September 30, 2019	—	—	—	10,000,000
Total	19	\$ 132.25	—	

(1) Represents shares purchased from employees to pay taxes related to the vesting of restricted stock units.

(2) On July 31, 2019, the Company’s Board of Directors authorized the addition of 5,448,478 shares of Broadridge common stock to be available for repurchase. During the fiscal quarter ended September 30, 2019, the Company did not repurchase shares of common stock under its share repurchase program. At September 30, 2019, the Company had 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. EXHIBITS

The following exhibits are being filed as part of this Quarterly Report on Form 10-Q:

- [10.1 Form of Stock Option Grant Award Agreement for U.S. Non-Employee Directors](#)
 - [10.2 Form of Deferred Stock Unit Award Agreement for U.S. Non-Employee Directors](#)
 - [10.3 Form of Restricted Stock Unit Grant Award Agreement \(Performance Based\) for U.S. Corporate Officers](#)
 - [10.4 Form of Restricted Stock Unit Grant Award Agreement \(Time Based\) for U.S. Corporate Officers](#)
 - [10.5 Form of Stock Option Grant Award Agreement for U.S. Corporate Officers](#)
 - [10.6 Amendment Number Two to the Broadridge Financial Solutions, Inc. Change in Control Severance Plan for Corporate Officers \(incorporated by reference to Exhibit 10.1 to Form 8-K filed on September 27, 2019\).](#)
 - [31.1 Certification of the President and Chief Executive Officer of Broadridge Financial Solutions, Inc., pursuant to Rule 13a-14 of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
 - [31.2 Certification of the Chief Financial Officer of Broadridge Financial Solutions, Inc., pursuant to Rule 13a-14 of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
 - [32.1 Certification of the President and 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.](#)
 - [32.2 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.](#)
- 101 The following financial statements from the Broadridge Financial Solutions, Inc. Quarterly Report on Form 10-Q for the quarter ended September 30, 2019, formatted in eXtensible Business Reporting Language (XBRL): (i) condensed consolidated statements of earnings for the three months ended September 30, 2019 and 2018, (ii) condensed consolidated statements of comprehensive income for the three months ended September 30, 2019 and 2018, (iii) condensed consolidated balance sheets as of September 30, 2019 and June 30, 2019, (iv) condensed consolidated statements of cash flows for the three months ended September 30, 2019 and 2018, (v) condensed consolidated statements of stockholders' equity for the three months ended September 30, 2019 and 2018, and (vi) the notes to the condensed consolidated financial statements. XBRL Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
- 104 Cover Page Interactive Data File (Formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Quarterly Report on Form 10-Q to be signed on its behalf by the undersigned hereunto duly authorized.

Date: November 6, 2019

BROADRIDGE FINANCIAL SOLUTIONS, INC.

By: /s/ James M. Young

James M. Young

Vice President, Chief Financial Officer

(Principal Financial and Accounting Officer)



Non-Qualified
[GRANT DATE]

**BROADRIDGE FINANCIAL SOLUTIONS, INC.
2018 OMNIBUS AWARD PLAN
STOCK OPTION GRANT AWARD AGREEMENT
FOR U.S. NON-EMPLOYEE DIRECTORS**

On [GRANT DATE], BROADRIDGE FINANCIAL SOLUTIONS, INC. ("Broadridge" or the "Company") granted to you (the "Participant"), pursuant to the Broadridge 2018 Omnibus Award Plan (the "Plan"), the right and option to purchase [] shares of the Common Stock of the Company, by action of the Compensation Committee of the Board of Directors of the Company, subject to the terms and conditions of this Stock Option Grant Award Agreement (the "Award Agreement"). Capitalized terms in this Award Agreement that are not otherwise defined shall have the same meaning as set forth in the Plan.

1. **Non-Qualified Option.** The number of options granted is equal to the number shown on the Participant's Online Grant Acceptance page which is accessed through the Morgan Stanley StockPlan Connect website. The applicable number of options is shown with the grant type "NQ" and a grant date of [DATE]. No part of the option granted hereby is intended to qualify as an "incentive stock option" under Section 422 of the U.S. Internal Revenue Code of 1986, as amended (the "Code").
 2. **Vesting.** Subject to the terms and conditions herein, the option herein granted shall be vested in full upon grant and exercisable in its entirety.
 3. **Termination of Option.** The unexercised portion of the option herein granted shall automatically and without notice terminate and become null and void at the time of the earliest of the following to occur:
 - (a) the expiration of ten (10) years from the date on which the option was granted; or
 - (b) the expiration of three (3) years from the date of termination of the Participant's service with the Company.
 4. **Exercise Price.** The full price for each of the shares purchased pursuant to the option granted herein shall be \$[].
 5. **Method of Exercise.** Full payment for shares purchased by the Participant shall be made at the time of the exercise of the option in whole or in part, following which uncertificated book-entry shares shall be deposited in the Participant's account at the Company's transfer agent promptly thereafter. No shares shall be transferred to the Participant until full payment therefor has been made in accordance with a form of payment provided in Section 7(b)(i) of the Plan, and the Participant shall have none of the rights of a stockholder with respect to any shares subject to this option until such deposit shall have occurred. A cash form of payment under Section 7(b)(i) of the Plan includes, without limitation, cashless exercise whereby the Participant delivers irrevocable instructions to a Company-approved broker to promptly deliver to the Company an amount equal to the purchase price for the shares purchased pursuant to the option herein granted and to satisfy any statutorily required withholding obligations, as applicable.
 6. **Non-Transferability.** The option herein granted is non-assignable and non-transferable, other than by will or by the laws of descent and distribution, and during the Participant's lifetime shall be exercisable only by the Participant. Notwithstanding the foregoing, the Compensation Committee may, in its sole discretion, permit the transfer of the option to the extent such transfer is allowed under the Plan.
 7. **Adjustment.** The option shall be subject to adjustment to the extent provided in Section 13 of the Plan.
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8. **Stockholder Rights.** The Participant shall have no rights as a stockholder with respect to any shares of Stock covered by the option unless and until the Participant has become the holder of record of the shares of Stock, and no adjustments shall be made for dividends in cash or other property, distributions or other rights in respect of any such shares of Stock, except as otherwise specifically provided for in the Plan.
9. **Plan Controls.** This Award Agreement is subject to all the terms, conditions and provisions of the Plan, including, without limitation, the amendment provisions thereof, and to such rules, regulations and interpretations relating to the Plan as may be adopted by the Compensation Committee and as may be in effect from time to time. The Plan is incorporated herein by reference. By accepting this Award Agreement, the Participant acknowledges having received or otherwise having been given access to, and read a copy of the Plan and agrees to comply with it, this Award Agreement and all applicable laws and regulations. If and to the extent that this Award Agreement conflicts or is inconsistent with the terms, conditions and provisions of the Plan, the Plan shall control, and this Award Agreement shall be deemed to be modified accordingly. This Award Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes any prior agreements between the Company and the Participant with respect to the subject matter hereof.
10. **Data Privacy.**
- (a) **Data Collection and Usage.** *The Company and the Employer collects, processes and uses certain personal information about the Participant, and persons closely associated with the Participant, including, but not limited to, the Participant's name, home address and telephone number, email address, date of birth, social insurance number, passport or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Options or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("Data"), for the legitimate purposes of implementing, administering and managing the Plan. The legal basis, where required, for the processing of Data is the Participant's consent. Where required under applicable law, Data may also be disclosed to certain securities or other regulatory authorities where the Company's securities are listed or traded or regulatory filings are made.*
- (b) **Stock Plan Administration Service Providers.** *The Company transfers Data to Morgan Stanley Smith Barney LLC, an independent service provider, which is assisting the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different service provider and share Data with such other provider serving in a similar manner. The Participant may be asked to agree on separate terms and data processing practices with the service provider, with such agreement being a condition to the ability to participate in the Plan.*
- (c) **International Data Transfers.** *The Company and its service providers are based in the United States. The Participant's country or jurisdiction may have different data privacy laws and protections than the United States. For example, the European Commission has issued a limited adequacy finding with respect to the United States that applies only to the extent companies register for the EU-U.S. Privacy Shield program, which is open to companies subject to Federal Trade Commission jurisdiction and in which the Company currently does not participate with respect to employee data. The Company's legal basis, where required, for the transfer of Data is the Participant's consent.*
- (d) **Data Retention.** *The Company will hold and use the Data only as long as is necessary to implement, administer and manage the Participant's participation in the Plan, or as required to comply with legal or regulatory obligations, including under tax, exchange control, labor and securities laws.*

- (e) **Voluntariness and Consequences of Consent Denial or Withdrawal.** *Participation in the Plan is voluntary and the Participant is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke the Participant's consent, the Participant's salary from or employment and career with the Company will not be affected; the only consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant this option or other awards to the Participant or administer or maintain such awards.*
- (f) **Declaration of Consent.** *By accepting the options and indicating consent via the Company's online acceptance procedure, the Participant is declaring that he or she agrees with the data processing practices described herein and consents to the collection, processing and use of Data by the Company and the transfer of Data to the recipients mentioned above, including recipients located in countries which do not adduce an adequate level of protection from a European (or other non-U.S.) data protection law perspective, for the purposes described above.*
- (g) **Alternative Basis for Data Processing and Transfer.** *The Participant understands that the Company may rely on a different legal basis for the processing or transfer of Data in the future and/or request that the Participant provide another data privacy consent form. If applicable and upon request of the Company, the Participant agrees to provide an executed acknowledgement or data privacy consent form to the Company (or any other acknowledgements, agreements or consents that may be required by the Company) that the Company may deem necessary to obtain under the data privacy laws in the Participant's country, either now or in the future. The Participant understands that he or she will not be able to participate in the Plan if he or she fails to execute any such acknowledgement, agreement or consent requested by the Company.*
11. **Uncertificated Book Entry.** Notwithstanding anything else herein, to the extent permitted under applicable federal, state or local law, the Company may issue the shares of Stock pursuant to this option in the form of uncertificated shares. Such uncertificated shares of Stock shall be credited to a book entry account maintained by the Company (or its designee) on behalf of the Participant.
12. **Section 409A.** Although the Company does not guarantee to the Participant any particular tax treatment relating to the option, the option provided hereunder is intended to be exempt from the applicable requirements of Section 409A of the Code and shall be limited, construed and interpreted in accordance with such intent. In no event whatsoever shall the Company be liable for any additional tax, interest or penalties that may be imposed on the Participant by Section 409A of the Code or any damages for failing to comply with Section 409A of the Code.
13. **Governing Law; Amendment; Venue.** It is understood and agreed that this option has been granted pursuant to the Plan, which shall be governed by, and construed in accordance with, the laws of the State of Delaware. The Compensation Committee may amend, suspend or terminate this Award Agreement subject to and in accordance with the terms of the Plan. For purposes of litigating any dispute concerning the grant of the option or the Award Agreement, the Participant and the Company agree and consent to the exclusive jurisdiction of the State of New York, and agree that such litigation shall be conducted exclusively in the courts of Nassau County, New York or the federal courts for the United States for the Eastern District of New York, where this grant is made and/or to be performed.
14. **Severability.** Whenever feasible, each provision of this Award Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Award Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Award Agreement.
15. **Successors and Assigns.** Except as otherwise provided herein, this Award Agreement will bind and inure to the benefit of the respective successors and permitted assigns and heirs and legal representatives of the parties hereto whether so expressed or not.

16. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the option and on any shares of Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.
17. **Compliance with Laws and Regulations.** Notwithstanding any other provisions of the Plan or this Award Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the shares of Stock, the Participant understands that the Company will not be obligated to issue any shares of Stock pursuant to the exercise of the option if the issuance of such shares of Stock shall constitute a violation by the Participant or the Company of any provision of law or regulation of any governmental authority. Further, the Company may amend, suspend or terminate the Plan and the Stock Option Grant Award Agreement subject to and in accordance with the terms of the Plan, including but not limited to, the unilateral authority to amend the Plan and the Stock Option Grant Award Agreement without the Participant's consent to the extent necessary to comply with securities or other laws applicable to the option or the issuance of shares of Stock. Any determination by the Company in this regard shall be final, binding and conclusive.
18. **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.
19. **Insider Trading Restrictions/Market Abuse Laws.** The Participant acknowledges that, depending on his or her country, the broker's country, or the country in which the shares of Stock are listed, the Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect his or her ability to directly or indirectly, accept, acquire, sell, or attempt to sell or otherwise dispose of shares of Stock, rights to shares of Stock (e.g., options), or rights linked to the value of shares of Stock during such times as the Participant is considered to have "inside information" regarding the Company (as defined by the laws and/or regulations in the applicable jurisdictions or the Participant's country). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant places before possessing the insider information to any third party, including fellow employees (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them to otherwise buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Participant acknowledges that it is his or her responsibility to comply with any applicable restrictions, and the Participant is advised to speak to his or her personal advisor on this matter.
20. **Waivers.** The Participant acknowledges that a waiver by the Company of breach of any provision of the Stock Option Grant Award Agreement shall not operate or be construed as a waiver of any other provision of the Stock Option Grant Award Agreement, or of any subsequent breach by the Participant or any other Participant.
21. **Acceptance of Award.** The Participant shall indicate his or her acceptance of the option in writing below. By:

Adam D. Amsterdam
Corporate Vice President/General Counsel

Accepted By:

[NAME OF DIRECTOR]

Date: _____



**BROADRIDGE FINANCIAL SOLUTIONS, INC.
2018 OMNIBUS AWARD PLAN
DEFERRED STOCK UNIT AWARD AGREEMENT
FOR U.S. NON-EMPLOYEE DIRECTORS**

On [GRANT DATE], BROADRIDGE FINANCIAL SOLUTIONS, INC. ("Broadridge" or the "Company") granted to [NAME] (the "Participant"), pursuant to the Broadridge 2018 Omnibus Award Plan (the "Plan"), Deferred Stock Units ("Units") of the Company, by action of the Compensation Committee of the Board of Directors of the Company, subject to the terms and conditions of this Deferred Stock Unit Award Agreement (the "Award Agreement"). Capitalized terms in this Award Agreement that are not otherwise defined shall have the same meaning as set forth in the Plan.

1. **Number of Units.** The number of Units granted is [GRANT AMOUNT] Units. The number of Units granted is equal to the number shown on the Participant's Online Grant Acceptance page which is accessed through the Morgan Stanley StockPlan Connect website.
 2. **Value of the Unit.** On any date, the value of each Unit shall equal the Fair Market Value of a share of the Company's Common Stock, par value \$0.01 per share ("Stock").
 3. **Vesting.** The Units herein granted shall be vested in full upon grant.
 4. **Delivery of Stock.** Subject to the terms and conditions herein, upon the Participant's Separation From Service with the Company (within the meaning of Treas. Reg. Section 1.409A-1(h)), the Company shall issue and deliver, through an uncertificated book entry or similar method, to the Participant a number of shares of Stock without restrictions equal to the aggregate number of vested Units credited to the Participant. These shares will be registered in the name of the Participant for such Stock and subject to any applicable withholding.
 5. **Purchase Price.** The full price for each of the shares of Stock subject to the Units granted herein shall be **\$0.00**.
 6. **Dividend Equivalents.** As of each date on which a cash dividend is paid on the Stock, the number of Units subject to this Deferred Stock Unit award shall be increased by that number of Units (with fractional Units rounded down to the nearest whole Unit) determined by (i): multiplying the amount of such dividend (per share) by the number of unpaid Units subject to this Deferred Stock Unit Award immediately before the payment of the dividend; and (ii) dividing the total so determined by the Fair Market Value as defined in the Plan of a share of Stock on the date of payment of such cash dividend. Such additional Units shall have the same terms and conditions, including, without limitation, vesting and distribution terms and conditions, as the Units in respect of which they were awarded.
 7. **No Stockholder Rights.** The Participant will have no rights as a stockholder with regard to the Units prior to distribution of the Stock subject to the Units.
 8. **Non-Transferability.** The Units herein granted are non-assignable and non-transferable, other than by will or by the laws of descent and distribution. Notwithstanding the foregoing, the Compensation Committee may, in its sole discretion, permit the transfer of the Units to the extent such transfer is allowed under the Plan.
 9. **Adjustment.** The Units shall be subject to adjustment to the extent provided in Section 13 of the Plan.
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10. **Plan Controls.** This Award Agreement is subject to all the terms, conditions and provisions of the Plan, including, without limitation, the amendment provisions thereof, and to such rules, regulations and interpretations relating to the Plan as may be adopted by the Compensation Committee and as may be in effect from time to time. The Plan is incorporated herein by reference. By accepting this Award Agreement, the Participant acknowledges having received or otherwise having been given access to, and read a copy of the Plan and agrees to comply with it, this Award Agreement and all applicable laws and regulations. If and to the extent that this Award Agreement conflicts or is inconsistent with the terms, conditions and provisions of the Plan, the Plan shall control, and this Award Agreement shall be deemed to be modified accordingly. This Award Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes any prior agreements between the Company and the Participant with respect to the subject matter hereof.

11. **Data Privacy.**

- (a) **Data Collection and Usage.** *The Company and the Employer collects, processes and uses certain personal information about the Participant, and persons closely associated with the Participant, including, but not limited to, the Participant's name, home address and telephone number, email address, date of birth, social insurance number, passport or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Units or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("Data"), for the legitimate purposes of implementing, administering and managing the Plan. The legal basis, where required, for the processing of Data is the Participant's consent. Where required under applicable law, Data may also be disclosed to certain securities or other regulatory authorities where the Company's securities are listed or traded or regulatory filings are made.*
- (b) **Stock Plan Administration Service Providers.** *The Company transfers Data to Morgan Stanley Smith Barney LLC, an independent service provider, which is assisting the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different service provider and share Data with such other provider serving in a similar manner. The Participant may be asked to agree on separate terms and data processing practices with the service provider, with such agreement being a condition to the ability to participate in the Plan.*
- (c) **International Data Transfers.** *The Company and its service providers are based in the United States. The Participant's country or jurisdiction may have different data privacy laws and protections than the United States. For example, the European Commission has issued a limited adequacy finding with respect to the United States that applies only to the extent companies register for the EU-U.S. Privacy Shield program, which is open to companies subject to Federal Trade Commission jurisdiction and in which the Company currently does not participate with respect to employee data. The Company's legal basis, where required, for the transfer of Data is the Participant's consent.*
- (d) **Data Retention.** *The Company will hold and use the Data only as long as is necessary to implement, administer and manage the Participant's participation in the Plan, or as required to comply with legal or regulatory obligations, including under tax, exchange control, labor and securities laws.*
- (e) **Voluntariness and Consequences of Consent Denial or Withdrawal.** *Participation in the Plan is voluntary and the Participant is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke the Participant's consent, the Participant's salary from or employment and career with the Company will not be affected; the only consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant this Award or other awards to the Participant or administer or maintain such awards.*

- (f) **Declaration of Consent.** *By accepting the Units and indicating consent via the Company's online acceptance procedure, the Participant is declaring that he or she agrees with the data processing practices described herein and consents to the collection, processing and use of Data by the Company and the transfer of Data to the recipients mentioned above, including recipients located in countries which do not adduce an adequate level of protection from a European (or other non-U.S.) data protection law perspective, for the purposes described above.*
- (g) **Alternative Basis for Data Processing and Transfer.** *The Participant understands that the Company may rely on a different legal basis for the processing or transfer of Data in the future and/or request that the Participant provide another data privacy consent form. If applicable and upon request of the Company, the Participant agrees to provide an executed acknowledgement or data privacy consent form to the Company (or any other acknowledgements, agreements or consents that may be required by the Company) that the Company may deem necessary to obtain under the data privacy laws in the Participant's country, either now or in the future. The Participant understands that he or she will not be able to participate in the Plan if he or she fails to execute any such acknowledgement, agreement or consent requested by the Company.*
12. **Uncertificated Book Entry.** Notwithstanding anything else herein, to the extent permitted under applicable federal, state or local law, the Company may issue the shares of Stock pursuant to the Units in the form of uncertificated shares. Such uncertificated shares of Stock shall be credited to a book entry account maintained by the Company (or its designee) on behalf of the Participant.
13. **Section 409A.** Although the Company does not guarantee to the Participant any particular tax treatment relating to the Units, the Units provided hereunder are intended to comply with the applicable requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), to the extent subject thereto, and shall be limited, construed and interpreted in accordance with such intent. In no event whatsoever shall the Company be liable for any additional tax, interest or penalties that may be imposed on the Participant by Section 409A of the Code or any damages for failing to comply with Section 409A of the Code. Notwithstanding any provision to the contrary in this Agreement, if the Participant is deemed on the date of his or her Separation From Service with the Company to be a "specified employee" (within the meaning of Treas. Reg. Section 1.409A-1(i)), then with regard to any distribution of Stock that is considered deferred compensation under Section 409A of the Code payable on account of a Separation From Service that is required to be delayed pursuant to Section 409A(a)(2)(B) of the Code (after taking into account any applicable exceptions to such requirement), such distribution shall be made on the date that is the earlier of (i) the expiration of the six-month period measured from the date of the Participant's Separation From Service, or (ii) the date of the Participant's death (the "Delay Period"). Upon the expiration of the Delay Period, all distributions delayed pursuant to this Section 13 shall be made to the Participant in a lump sum.
14. **Governing Law; Amendment, Venue.** It is understood and agreed that these Units have been granted pursuant to the Plan which shall be governed by, and construed in accordance with, the laws of the State of Delaware. The Compensation Committee may amend, suspend or terminate this Award Agreement subject to and in accordance with the terms of the Plan. For purposes of litigating any dispute concerning the grant of the Units or the Award Agreement, the Participant and the Company agree and consent to the exclusive jurisdiction of the State of New York, and agree that such litigation shall be conducted exclusively in the courts of Nassau County, New York or the federal courts for the United States for the Eastern District of New York, where this grant is made and/or to be performed.
15. **Severability.** Whenever feasible, each provision of this Award Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Award Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Award Agreement.
16. **Successors and Assigns.** Except as otherwise provided herein, this Award Agreement will bind and inure to the benefit of the respective successors and permitted assigns and heirs and legal representatives of the parties hereto whether so expressed or not.

17. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the Units and on any shares of Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.
18. **Compliance with Laws and Regulations.** Notwithstanding any other provisions of the Plan or this Award Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the shares of Stock, the Participant understands that the Company will not be obligated to issue any shares of Stock pursuant to the Units if the issuance of such shares of Stock shall constitute a violation by the Participant or the Company of any provision of law or regulation of any governmental authority. Further, the Company may amend, suspend or terminate the Plan and the Award Agreement subject to and in accordance with the terms of the Plan, including but not limited to, the unilateral authority to amend the Plan and the Award Agreement without the Participant's consent to the extent necessary to comply with securities or other laws applicable to the Units or the issuance of shares of Stock. Any determination by the Company in this regard shall be final, binding and conclusive.
19. **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.
20. **Insider Trading Restrictions/Market Abuse Laws.** The Participant acknowledges that, depending on his or her country, the broker's country, or the country in which the shares of Stock are listed, the Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect his or her ability to directly or indirectly, accept, acquire, sell, or attempt to sell or otherwise dispose of shares of Stock, rights to shares of Stock (e.g., Units), or rights linked to the value of shares of Stock during such times as the Participant is considered to have "inside information" regarding the Company (as defined by the laws and/or regulations in the applicable jurisdictions or the Participant's country). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant places before possessing the insider information to any third party, including fellow employees (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them to otherwise buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Participant acknowledges that it is his or her responsibility to comply with any applicable restrictions, and the Participant is advised to speak to his or her personal advisor on this matter.
21. **Waivers.** The Participant acknowledges that a waiver by the Company of breach of any provision of the Award Agreement shall not operate or be construed as a waiver of any other provision of the Award Agreement, or of any subsequent breach by the Participant or any other Participant.
22. **Acceptance of Award.** The Participant shall indicate his or her acceptance of the Units in writing below.

By: _____

Adam D. Amsterdam
Corporate Vice President/General Counsel

Accepted By:

[NAME OF DIRECTOR]

Date: _____



**BROADRIDGE FINANCIAL SOLUTIONS, INC.
2018 OMNIBUS AWARD PLAN
RESTRICTED STOCK UNIT GRANT AWARD AGREEMENT
FOR U.S. CORPORATE OFFICERS (Performance Based)**

On [GRANT DATE], BROADRIDGE FINANCIAL SOLUTIONS, INC. ("Broadridge" or the "Company") granted to [FULL NAME] (the "Participant") pursuant to the Broadridge 2018 Omnibus Award Plan, (the "Plan"), an Award of Restricted Stock Units ("Units") of the Company, by action of the Compensation Committee of the Board of Directors of the Company, subject to the terms and conditions of this Restricted Stock Unit Grant Award Agreement (the "Award Agreement"). Capitalized terms in this Award Agreement that are not otherwise defined shall have the same meaning as set forth in the Plan.

1. **Date of Grant.** The Date of Grant of the Award is [GRANT DATE].
2. **Number of Units.** The target number of Units granted ("Target") is [NUMBER OF UNITS]. The number of Units granted is equal to the number shown on the Participant's Online Grant Acceptance page which is accessed through the Morgan Stanley StockPlan Connect website.
3. **Performance Period.** The Performance Period shall commence on [] and shall end on [].
4. **Vesting.** Subject to the terms and conditions herein, the Units herein granted shall vest as follows, provided (except as specifically provided below) that the Performance Goals set forth below are achieved and the Participant is continuously employed by the Company or any of its Affiliates through the applicable vesting date:
 - (a) Except as otherwise set forth in Section 4(b), (c), (d), (e) or (f) below, the Units shall vest in full on [] at the percentage of Target calculated as set forth in Section 4(h) below, as determined by the Compensation Committee.
 - (b) The Units shall vest in full, at 100% of Target, irrespective of achievement of the Performance Goals, upon the Participant experiencing a Termination of Employment during the Performance Period due to his or her death or Disability. For purposes of this Award Agreement, "Disability" shall mean qualification for long-term disability benefits under the long-term disability plan or policy, as it may be amended from time to time, of the Company or, if different, the Affiliate which employs the Participant (the "Employer"), regardless of whether the Participant is covered by such policy. If the Company or the Employer does not have a long-term disability policy, "Disability" means that a Participant is unable to carry out the responsibilities and functions of the position held by the Participant by reason of any medically determined physical or mental impairment for a period of not less than one hundred and eighty (180) consecutive days. A Participant shall not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Company in its discretion.
 - (c) The Units shall vest in full at the percentage of Target calculated as set forth in Section 4(h) below, as determined by the Compensation Committee, upon the Participant experiencing a Termination of Employment after the end of the Performance Period due to his or her death or Disability.

(d) If the Participant experiences a Termination of Employment due to his or her Retirement (as defined below) which Termination of Employment is not also covered by Section 4(f) below, the Units shall vest as follows:

(i) If the Retirement occurs after the end of the Performance Period, the Units shall vest in full on [] at the percentage of Target calculated as set forth in Section 4(h) below (or calculated as set forth in Section 4(f) below, if Retirement occurs after a Change in Control).

(ii) If the Retirement occurs during the Performance Period, the Target shall be prorated based on the portion of the Performance Period completed as of the date of Termination of Employment, rounded to the nearest full fiscal quarter, and the Units shall vest on [] at the percentage of the prorated Target calculated as set forth in Section 4(h) below for the full Performance Period (or calculated as set forth in Section 4(f) below, if Retirement occurs after a Change in Control).

For purposes of this Award Agreement, "Retirement" is defined as: (i) Termination of Employment for any reason other than Cause if the Participant is age 65 and over, and (ii) involuntary Termination of Employment without Cause that is not followed by an immediate re-hire by the Company or any of its Affiliates if the Participant is age 60 and over. If the Participant incurs a voluntary Termination of Employment between ages 60 and 64, he or she will not be eligible for these retirement provisions.

For purposes of this Award Agreement, "Cause" shall mean: (1) the Participant is convicted of, or pleads nolo contendere to, a felony; (2) willful misconduct by the Participant resulting in material harm to the Company or any of its Affiliates; (3) the Participant commits an act constituting fraud, embezzlement, theft, or dishonesty against the Company or an Affiliate resulting in material harm to the Company or any of its Affiliates; (4) continuing failure by the Participant to perform his or her duties after written notice thereof from the Company or an Affiliate; or (5) material breach by the Participant of any term of any confidentiality, non-solicitation and/or non-competition agreements with the Company or an Affiliate.

(e) If the Participant experiences a Termination of Employment due to the termination of his or her employment without Cause that is not followed by an immediate re-hire by the Company or any of its Affiliates, and not due to the Participant's Retirement or as described in Section 4(f) below, the Units shall vest as follows; provided the Participant executes a Release and Restrictive Covenant Agreement in a form as attached to the Officer Severance Plan, as amended (the "Release") within 50 days of the date of Termination of Employment. If the Participant subsequently breaches any of the terms of the Release, the Participant shall forfeit any unvested or vested Units that are outstanding at the time the Participant is determined to have violated the terms of the Release.

(i) If the Termination of Employment occurs after the end of the Performance Period, so long as the Participant's Severance Period (as defined below) ends on or after [VEST DATE], the Units shall vest in full on [VEST DATE] at the percentage of Target calculated as set forth in Section 4(h) below.

(ii) If the Termination of Employment occurs during the Performance Period, the Target shall be prorated based on the portion of the Performance Period completed as of the date of Termination, rounded to the nearest full fiscal quarter, and, so long as the Participant's Severance Period (as defined below) ends on or after [VEST DATE], shall vest on [VEST DATE] at the percentage of the prorated Target calculated as set forth in Section 4(h) below for the full Performance Period.

For purposes of this Award Agreement, the Participant's "Severance Period" shall mean the period commencing with the Participant's Termination of Employment and ending eighteen months after his or her Termination of Employment.

- (f) If a Change in Control (as defined in the Plan) occurs during the first year of the Performance Period, the Performance Goal will be treated as earned at 100% of Target and such Units will vest as otherwise set forth above; provided, however, that if, within two years after the Change in Control, the Participant experiences a Termination of Employment without Cause or by the Participant for Good Reason that is not followed by an immediate re-hire by the Company or any of its Affiliates, then the Units (at Target) will vest at the time of such Termination of Employment.

If a Change in Control occurs during the second year of the Performance Period, the Performance Goal will be calculated based on Company performance through the last completed fiscal quarter prior to the Change in Control (by annualizing any part year earnings, as determined by the Compensation Committee) and any such earned Units will vest as otherwise set forth above; provided, however, that if, within two years after the Change in Control, the Participant experiences a Termination of Employment without Cause or by the Participant for Good Reason that is not followed by an immediate re-hire by the Company or any of its Affiliates, then any such earned Units will vest at the time of such Termination of Employment.

If a Change in Control occurs following the end of the Performance Period and, within two years after the Change in Control, the Participant experiences a Termination of Employment without Cause or by the Participant for Good Reason that is not followed by an immediate re-hire by the Company or any of its Affiliates, then any Units earned for the Performance Period under Section 4(h) below will vest at the time of such Termination of Employment.

For purposes hereof, "Good Reason" means the occurrence of any of the following after a Change in Control without the Participant's written consent: (i) material diminution with respect to the Participant's position, duties, responsibilities, or authority as of the date immediately prior to the Change in Control; (ii) a material reduction in the Participant's aggregate compensation and benefits; (iii) a failure of any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) of the Company to assume in writing the obligations hereunder; or (iv) a change in the location of the Participant's primary worksite by more than fifty (50) miles from the location immediately prior to the Change in Control. A termination for Good Reason shall mean a termination by the Participant effected by written notice given by the Participant to the Employer within 30 days after the occurrence of the Good Reason event, unless the Employer shall, within 15 days after receiving such notice, take such action as is necessary to fully remedy such Good Reason event in which case the Good Reason event shall be deemed to have not occurred.

The Participant hereby acknowledges and agrees that this Section 4(f) shall apply to the Units in lieu of Section 1.2 of the Company's Change in Control Severance Plan For Corporate Officers, and Section 1.2 of the Company's Change in Control Severance Plan For Corporate Officers shall have no application with respect to the Units.

- (g) Except as provided in Section 4(d) or 4(e) above, no Units shall vest on or following the Participant's Termination of Employment and any Units that are unvested immediately following Termination of Employment will be forfeited.

- (h) The Performance Goals are based on the following two-year average Broadridge fully-diluted earnings per share targets:

[_____]

- (i) Fractional Units will be rounded down to the nearest whole number Unit.

5. **Delivery of Stock.** Subject to the terms and conditions herein, when the Units vest, the Company shall issue and deliver, through an uncertificated book entry or similar method pursuant to Section 15 herein, to the Participant a number of shares of the Company's common stock, par value \$0.01 per share ("Stock") without restrictions equal to the aggregate number of vested Units credited to the Participant. These shares will be registered in the name of the Participant for such Stock and subject to applicable tax withholding.
6. **Purchase Price.** The full price for each of the shares issued upon vesting pursuant to the Units granted herein shall be **\$0.00**.

7. **No Stockholder Rights.** The Participant will have no rights as a stockholder with regard to the Units prior to vesting and will have no rights to dividends or Dividend Equivalents with regard to the Units.
8. **Non-Transferability.** The Units herein granted are non-assignable and non-transferable, other than by will or by the laws of descent and distribution, and during the Participant's lifetime shall be owned only by the Participant unless and until the restrictions on the Units lapse. Notwithstanding the foregoing, the Compensation Committee may, in its sole discretion, permit the transfer of the Units to the extent such transfer is allowed under the Plan.
9. **Adjustment.** The Units shall be subject to adjustment to the extent provided in Section 13 of the Plan.
10. **Restrictive Covenants.** The Units granted hereunder shall be immediately forfeited and all rights hereunder shall be cancelled immediately unless (i) the Participant had accepted and delivered to the Company in connection with previous Unit grants a restrictive covenant substantially in the form enclosed with this Award Agreement, or (ii) the Participant accepts and delivers the restrictive covenant enclosed herewith within six months of the Date of Grant of the Units set forth above and returns one to Broadridge Financial Solutions, Inc., 5 Dakota Drive, Suite 300, Lake Success, New York 11042, United States of America, Attention: Compensation Department. If the Company does not receive confirmation of acceptance of the restrictive covenant within such six-month period, this grant shall be canceled and forfeited in its entirety.
11. **Plan Controls.** This Award Agreement is subject to all the terms, conditions and provisions of the Plan, including, without limitation, the amendment provisions thereof, and to such rules, regulations and interpretations relating to the Plan as may be adopted by the Compensation Committee and as may be in effect from time to time. The Plan is incorporated herein by reference. By accepting this Award Agreement, the Participant acknowledges having received or otherwise having been given access to, and read a copy of the Plan and agrees to comply with it, this Award Agreement and all applicable laws and regulations. If and to the extent that this Award Agreement conflicts or is inconsistent with the terms, conditions and provisions of the Plan, the Plan shall control, and this Award Agreement shall be deemed to be modified accordingly. Subject to Section 10 above and Section 18 below, this Award Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes any prior agreements between the Company and the Participant with respect to the subject matter hereof.
12. **No Guarantee of Employment.** This Award Agreement is not an agreement of employment or other service. This grant of the Units does not guarantee that the Employer will employ the Participant for any specific time period, nor does it modify in any respect the Employer's right to terminate or modify the Participant's employment or compensation at any time.
13. **Withholding.** Upon vesting of the Units, a number of shares of Stock issuable under this Award Agreement, valued as of the date of the applicable tax withholding obligation, shall be automatically withheld from the shares of Stock otherwise deliverable to the Participant in an amount equal to the applicable withholding amount. Notwithstanding the foregoing, if such withholding method is not permissible under applicable laws or subject to adverse accounting consequences, pursuant to such procedures as the Compensation Committee may establish from time to time, the Company may withhold, or shall require payment by or on behalf of the Participant of, the applicable tax withholding amount by any other method the Compensation Committee deems acceptable and in accordance with the Plan.
14. **Data Privacy**

- (i) **Data Collection and Usage.** *The Company and the Employer collects, processes and uses certain personal information about the Participant, and persons closely associated with the Participant, including, but not limited to, the Participant's name, home address and telephone number, email address, date of birth, social insurance number, passport or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Units or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("Data"), for the legitimate purposes of implementing, administering and managing the Plan. The legal basis, where required, for the processing of Data is the Participant's consent. Where required under applicable law, Data may also be disclosed to certain securities or other regulatory authorities where the Company's securities are listed or traded or regulatory filings are made.*
- (ii) **Stock Plan Administration Service Providers.** *The Company transfers Data to Morgan Stanley Smith Barney LLC, an independent service provider, which is assisting the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different service provider and share Data with such other provider serving in a similar manner. The Participant may be asked to agree on separate terms and data processing practices with the service provider, with such agreement being a condition to the ability to participate in the Plan.*
- (iii) **International Data Transfers.** *The Company and its service providers are based in the United States. The Participant's country or jurisdiction may have different data privacy laws and protections than the United States. For example, the European Commission has issued a limited adequacy finding with respect to the United States that applies only to the extent companies register for the EU-U.S. Privacy Shield program, which is open to companies subject to Federal Trade Commission jurisdiction and in which the Company currently does not participate with respect to employee data. The Company's legal basis, where required, for the transfer of Data is the Participant's consent.*
- (iv) **Data Retention.** *The Company will hold and use the Data only as long as is necessary to implement, administer and manage the Participant's participation in the Plan, or as required to comply with legal or regulatory obligations, including under tax, exchange control, labor and securities laws.*
- (v) **Voluntariness and Consequences of Consent Denial or Withdrawal.** *Participation in the Plan is voluntary and the Participant is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke the Participant's consent, the Participant's salary from or employment and career with the Employer will not be affected; the only consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant this Award or other awards to the Participant or administer or maintain such awards.*
- (vi) **Declaration of Consent.** *By accepting the Units and indicating consent via the Company's online acceptance procedure, the Participant is declaring that he or she agrees with the data processing practices described herein and consents to the collection, processing and use of Data by the Company and the transfer of Data to the recipients mentioned above, including recipients located in countries which do not adduce an adequate level of protection from a European (or other non-U.S.) data protection law perspective, for the purposes described above.*
- (vii) **Alternative Basis for Data Processing and Transfer.** *The Participant understands that the Company may rely on a different legal basis for the processing or transfer of Data in the future and/or request that the Participant provide another data privacy consent form. If applicable and upon request of the Company, the Participant agrees to provide an executed acknowledgement or data privacy consent form to the Employer or the Company (or any other acknowledgements, agreements or consents that may be required by the Employer or the Company) that the Company and/or the Employer may deem necessary to obtain under the data privacy laws in the Participant's country, either now or in the future. The Participant understands that he or she will not be able to participate in the Plan if he or she fails to execute any such acknowledgement, agreement or consent requested by the Company and/or the Employer.*
15. **Uncertificated Book Entry.** *Notwithstanding anything else herein, to the extent permitted under applicable federal, state or local law, the Company may issue the shares of Stock pursuant to the Units in the form of uncertificated shares. Such uncertificated shares of Stock shall be credited to a book entry account maintained by the Company (or its designee) on behalf of the Participant.*

16. **Section 409A.** Although the Company does not guarantee to the Participant any particular tax treatment relating to the Units, the Units provided hereunder are intended to comply with the applicable requirements of Section 409A of the Code, to the extent subject thereto, and shall be limited, construed and interpreted in accordance with such intent. In no event whatsoever shall the Company be liable for any additional tax, interest or penalties that may be imposed on the Participant by Section 409A of the Code or any damages for failing to comply with Section 409A of the Code. To the extent the Units constitute deferred compensation subject to the requirements of Section 409A of the Code, and to the extent the Units are vested on the Participant's Termination of Employment in accordance with Section 4(b), (c), (d), (e) or (f) above, if on the date of the Participant's "separation from service" within the meaning of Section 409A(a)(2)(A)(i) of the Code, the Participant is deemed to be a "specified employee" within the meaning of Section 409A(a)(2)(B) of the Code, the delivery of the shares of Stock subject to the Units shall, to the extent required to be delayed pursuant to Section 409A(a)(2)(B) of the Code, be made on the date that is six months following such date or, if earlier, the date of the Participant's death. Notwithstanding any provision of this Award Agreement to the contrary, for purposes of any provision of this Award Agreement providing for distribution of shares of Stock upon a Termination of Employment that is considered deferred compensation under Section 409A, references to the Participant's Termination of Employment (and corollary terms) with the Company shall be construed to refer to the Participant's "separation from service" (within the meaning of Treas. Reg. Section 1.409A-1(h)) with the Company.
17. **Governing Law; Amendment; Venue.** It is understood and agreed that these Units have been granted pursuant to the Plan which shall be governed by, and construed in accordance with, the laws of the State of Delaware. The Compensation Committee may amend, suspend or terminate this Award Agreement subject to and in accordance with the terms of the Plan. For purposes of litigating any dispute concerning the grant of the Units or the Award Agreement, the Participant and the Company agree and consent to the exclusive jurisdiction of the State of New York, and agree that such litigation shall be conducted exclusively in the courts of Nassau County, New York, or the federal courts for the United States for the Eastern District of New York, where this grant is made and/or to be performed.
18. **Clawback.** To the extent that the vesting of any Units was based on the achievement of financial results that were subsequently restated due to material noncompliance with financial reporting requirements by the Company or an Affiliate and a reduced portion of the Units would have vested based upon the restated financial results, the Participant will forfeit and return to the Company the portion of the Units or number of shares of Stock received in excess of the number of Units that would have vested based on the restated financial results (or if the Participant has disposed of such shares of Stock received pursuant to the Units, the Participant will return cash to the Company in an amount equal to the value of such number of excess shares of Stock on the date of disposition). As a condition to the grant of these Units, the Participant agrees that he or she will be subject to, and comply with the terms of, the Company's Clawback Policy as in effect from time to time as it applies to any compensation, including equity awards, bonus and other incentive awards.
19. **Severability.** Whenever feasible, each provision of this Award Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Award Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Award Agreement.
20. **Successors and Assigns.** Except as otherwise provided herein, this Award Agreement will bind and inure to the benefit of the respective successors and permitted assigns and heirs and legal representatives of the parties hereto whether so expressed or not.
21. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the Units and on any shares of Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

22. **Compliance with Laws and Regulations.** Notwithstanding any other provisions of the Plan or this Award Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the shares of Stock, the Participant understands that the Company will not be obligated to issue any shares of Stock pursuant the Units if the issuance of such shares of Stock shall constitute a violation by the Participant or the Company of any provision of law or regulation of any governmental authority. Further, the Company may amend, suspend or terminate the Plan and the Award Agreement subject to and in accordance with the terms of the Plan, including but not limited to, the unilateral authority to amend the Plan and the Award Agreement without the Participant's consent to the extent necessary to comply with securities or other laws applicable to the Units or the issuance of shares of Stock. Any determination by the Company in this regard shall be final, binding and conclusive.
23. **Waivers.** The Participant acknowledges that a waiver by the Company of breach of any provision of the Award Agreement shall not operate or be construed as a waiver of any other provision of the Award Agreement, or of any subsequent breach by the Participant or any other Participant.
24. **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.
25. **Insider Trading Restrictions/Market Abuse Laws.** The Participant acknowledges that, depending on his or her country, the broker's country, or the country in which the shares of Stock are listed, the Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect his or her ability to directly or indirectly, accept, acquire, sell, or attempt to sell or otherwise dispose of shares of Stock, rights to shares of Stock (e.g., Units), or rights linked to the value of shares of Stock during such times as the Participant is considered to have "inside information" regarding the Company (as defined by the laws and/or regulations in the applicable jurisdictions or the Participant's country). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant places before possessing the insider information to any third party, including fellow employees (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them to otherwise buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Participant acknowledges that it is his or her responsibility to comply with any applicable restrictions, and the Participant is advised to speak to his or her personal advisor on this matter.

By: _____
Adam D. Amsterdam
Corporate Vice President/General Counsel

Date: [GRANT DATE]

Restrictive Covenant

In my position(s) with Broadridge Financial Solutions, Inc., its subsidiaries and affiliates (collectively “Broadridge”), I participate in policy decisions and have access to Broadridge's confidential information and trade secrets. I enjoy substantial compensation and benefits from Broadridge and am participating substantially in its 2018 Omnibus Award Plan. Since it is in Broadridge's best interests that all employees in executive positions execute restrictive covenants (this “Agreement”), I agree as follows:

1. During the period that I am a Broadridge employee and ending [] after the date I cease to be a Broadridge employee for any reason whatsoever (the “Non-Competition Period”), I will not, provided that I have been a Broadridge employee for at least six months, directly or indirectly, become or be interested in, employed by, or associated with in any capacity, any person, corporation, partnership or other entity whatsoever (a “Person”) engaged in any aspect of Broadridge's businesses or businesses Broadridge has formal plans to enter on the date I cease to be a Broadridge employee (the “Termination Date”), in a capacity which is the same or similar to any capacity in which I was involved during the last two years of my employment by Broadridge. The restrictions set forth in this paragraph 1 shall apply only to Broadridge businesses existing at the time my employment terminates and businesses that Broadridge has formal plans to enter with which I was involved. After the Termination Date, however, nothing shall prevent me from owning, as an inactive investor, securities of any competitor of Broadridge which is listed on a national securities exchange. Furthermore, after the Termination Date, I may become employed in a separate, autonomous division of a corporation provided such division is not a competitor of Broadridge.
2. During and after my employment by Broadridge, I will not use, or disclose to any Person any confidential information, trade secrets and proprietary information of Broadridge, its vendors, licensors, marketing partners or clients, learned by me during my employment and/or any of the names and addresses of clients of Broadridge. I acknowledge that I am prohibited from taking any confidential, proprietary or other materials or property of Broadridge with me upon termination of my employment. Upon termination of my employment, I shall return all Broadridge materials (including, without limitation, all memoranda and notes containing the names, addresses and/or needs of Broadridge clients and bona fide prospective clients) in my possession or over which I exercise control, regardless of whether such materials were prepared by Broadridge, me or a third party.
3. During the Non-Competition Period, I shall not, on my behalf or on behalf of any other Person, directly or indirectly, solicit, contact, call upon, communicate with or attempt to communicate with any Person which was a client or a bona fide prospective client of Broadridge before the Termination Date to sell, license or lease any software or service competitive or potentially competitive with any software or services sold, licensed, leased, provided or under development by Broadridge during the two-year period prior to the Termination Date, provided that the restrictions set forth in this paragraph 3 shall only apply to clients or bona fide prospective clients of businesses of Broadridge with which I was involved.
4. During the Non-Competition Period, I will not, directly or indirectly, hire, contract with, solicit, or encourage to leave Broadridge's employ any Broadridge employee, and I will not hire or contract with any former Broadridge employee within one year after the date such person ceases to be a Broadridge employee.

5. During my employment by Broadridge, I shall not accept any position (unless such position is to commence after my employment ceases), compensation, reimbursement or funds, or their equivalent, from any Person engaged in any business in which Broadridge is engaged.
6. A violation of the foregoing covenants not to compete, not to disclose, not to solicit and not to hire will cause irreparable injury to Broadridge. Broadridge shall be entitled, in addition to any other rights and remedies it may have at law or in equity, to an injunction enjoining and restraining me from performing, and continuing in the performance of, any such violation.
7. I understand and acknowledge that Broadridge shall have the sole and exclusive rights to anything relating to its actual or prospective business which I conceive or work on, either in whole or in part, while employed by Broadridge and that all such work product may be the property of Broadridge as "works for hire" under federal copyright law and may also constitute Broadridge confidential and proprietary information. Accordingly, I:
 - (a) will promptly and fully disclose all such items to Broadridge and will not disclose such items to any other person or entity without Broadridge's prior consent;
 - (b) will maintain on Broadridge's behalf and surrender to Broadridge upon termination of my employment appropriate written records regarding all such items;
 - (c) will, but without personal expense, fully cooperate with Broadridge, execute all papers and perform all acts requested by Broadridge to establish, confirm or protect its exclusive rights in such items or to enable it to transfer legal title to such items, together with any patents that may be issued;
 - (d) will, but without personal expense, provide such information and true testimony as Broadridge may request regarding such items including, without limitation, items which I neither conceived nor worked on but regarding which I have knowledge because of my employment with Broadridge;
 - (e) hereby assign to Broadridge, its successors and assigns, exclusive right, title and interest in and to all such items, including any patents which have been or may be issued; and
 - (f) state that only such items in which I personally hold or claim an interest and which are not subject to this Agreement are listed on the Ownership Schedule attached hereto. The absence of an Ownership Schedule means that no such items exist.
8. I understand that nothing in this Agreement shall prohibit or restrict me, without notice to or authorization from Broadridge, from: (a) initiating communications with the U.S. Securities and Exchange Commission ("SEC") or any other administrative or regulatory (including self-regulatory) agency or authority ("Agencies") about Broadridge that relate to possible violation of any laws or regulations; or (b) providing to the SEC or other Agencies, voluntarily or otherwise, confidential information about Broadridge that relates to possible violation of any laws or regulations. I further understand that nothing in this Agreement limits or restricts my ability to receive a payment pursuant to any whistleblower incentive award program administered by the SEC or other Agencies.
9. I acknowledge that I have been hereby notified in accordance with the Defend Trade Secrets Act of 2016 that I will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. I have been further notified that if I file a lawsuit for retaliation for reporting a suspected violation of law, I may disclose Broadridge's trade secrets to my attorney and use the trade secret information in the court proceeding if I: (a) file any document containing the trade secret under seal; and (b) do not disclose the trade secret, except pursuant to court order.

1. My obligations under this Agreement shall be binding upon me regardless of which office(s) of Broadridge I am employed at or position(s) I hold and shall inure to the benefit of any successors or assigns of Broadridge. This Agreement supplements and does not supersede any prior agreement(s) on the subject matter addressed herein.
2. If any provision of this Agreement is invalid or unenforceable, the balance of this Agreement shall remain in effect. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York. I acknowledge that the terms of this Agreement are reasonable and that I have had a reasonable opportunity to consult with an attorney before agreeing to the terms of this Agreement. For the avoidance of doubt, I agree that in the event that any court of competent jurisdiction should hold that the duration, area or other scope or other term of a restriction set forth in this Agreement is unreasonable or unenforceable under circumstances now or hereafter existing, the maximum duration, area and scope of restriction and other term reasonable under the circumstances shall be substituted.

After reviewing this document close this window to continue the grant acceptance process



**BROADRIDGE FINANCIAL SOLUTIONS, INC.
2018 OMNIBUS AWARD PLAN
RESTRICTED STOCK UNIT GRANT AWARD AGREEMENT
FOR U.S. CORPORATE OFFICERS
(Time Based)**

On [GRANT DATE], BROADRIDGE FINANCIAL SOLUTIONS, INC. ("Broadridge" or the "Company") granted to [FULL NAME] (the "Participant") pursuant to the Broadridge 2018 Omnibus Award Plan (the "Plan"), an Award of Restricted Stock Units ("Units") of the Company, by action of the Compensation Committee of the Board of Directors of the Company, subject to the terms and conditions of this Restricted Stock Unit Grant Award Agreement (the "Award Agreement"). Capitalized terms in this Award Agreement that are not otherwise defined shall have the same meaning as set forth in the Plan.

1. **Date of Grant.** The Date of Grant of the Award is [GRANT DATE].
2. **Number of Units.** The number of Units granted is [NUMBER OF UNITS]. The number of Units granted is equal to the number shown on the Participant's Online Grant Acceptance page which is accessed through the Morgan Stanley StockPlan Connect website.
3. **Vesting.** Subject to the terms and conditions herein, the Units herein granted shall vest as follows, provided (except as specifically provided below) that the Participant is continuously employed by the Company or any of its Affiliates through the applicable vesting date:
 - (a) Except as otherwise set forth in Section 3(b), (c), (d) or (e) below, the Units shall vest in full on [VESTING DATE].
 - (b) The Units shall vest in full upon the Participant experiencing a Termination of Employment due to his or her death or Disability. For purposes of this Award Agreement, "Disability" shall mean qualification for long-term disability benefits under the long-term disability plan or policy, as it may be amended from time to time, of the Company or, if different, the Affiliate which employs the Participant (the "Employer"), regardless of whether the Participant is covered by such policy. If the Company or the Employer does not have a long-term disability policy, "Disability" means that a Participant is unable to carry out the responsibilities and functions of the position held by the Participant by reason of any medically determined physical or mental impairment for a period of not less than one hundred and eighty (180) consecutive days. A Participant shall not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Company in its discretion.
 - (c) If the Participant experiences a Termination of Employment due to his or her Retirement (as defined below) during the period commencing on the Date of Grant and ending on [VESTING DATE] (the "Vesting Period") which is not also covered by Section 3(e) below, the Units shall be prorated based on the portion of the Vesting Period completed as of the date of Termination of Employment, rounded to the nearest full month of the Vesting Period, and shall vest on a prorated basis on [VESTING DATE].

For purposes of this Award Agreement, "Retirement" is defined as: (i) Termination of Employment for any reason other than Cause if the Participant is age 65 and over, and (ii) involuntary Termination of Employment without Cause that is not followed by an immediate re-hire by the Company or any of its Affiliates if the Participant is age 60 and over. If the Participant incurs a voluntary Termination of Employment between ages 60 and 64, he or she will not be eligible for these retirement provisions.

For purposes of this Award Agreement, "Cause" shall mean: (1) the Participant is convicted of, or pleads nolo contendere to, a felony; (2) willful misconduct by the Participant resulting in material harm to the

Company or any of its Affiliates; (3) the Participant commits an act constituting fraud, embezzlement, theft, or dishonesty against the Company or an Affiliate resulting in material harm to the Company or any of its Affiliates; (4) continuing failure by the Participant to perform his or her duties after written notice thereof from the Company or an Affiliate; or (5) material breach by the Participant of any term of any confidentiality, non-solicitation and/or non-competition agreements with the Company or an Affiliate.

- (d) If the Participant experiences a Termination of Employment due to the termination of his or her employment without Cause, and not due to the Participant's Retirement or as described in Section 3(e) below, in each case, that is not followed by an immediate re-hire by the Company or any of its Affiliates, the Units shall continue to vest during the Severance Period, provided the Participant executes a Release and Restrictive Covenant Agreement in a form as attached to the Officer Severance Plan, as amended (the "Release") within 50 days of the date of Termination of Employment. If the Participant subsequently breaches any of the terms of the Release, the Participant shall forfeit any unvested or vested Units that are outstanding at the time the Participant is determined to have violated the terms of the Release.

For purposes of this Award Agreement, the Participant's "Severance Period" shall mean the period commencing with the Participant's Termination of Employment and ending eighteen months after his or her Termination of Employment.

- (e) If a Change in Control (as defined in the Plan) occurs and, within two years thereafter, the Participant experiences a Termination of Employment without Cause or by the Participant for Good Reason that is not followed by an immediate re-hire by the Company or any of its Affiliates, then the Units will vest in full at the time of such Termination of Employment. For purposes hereof, "Good Reason" means the occurrence of any of the following after a Change in Control without the Participant's written consent: (i) material diminution with respect to the Participant's position, duties, responsibilities, or authority as of the date immediately prior to the Change in Control; (ii) a material reduction in the Participant's aggregate compensation and benefits; (iii) a failure of any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) of the Company to assume in writing the obligations hereunder; or (iv) a change in the location of the Participant's primary worksite by more than fifty (50) miles from the location immediately prior to the Change in Control. A termination for Good Reason shall mean a termination by the Participant effected by written notice given by the Participant to the Employer within 30 days after the occurrence of the Good Reason event, unless the Employer shall, within 15 days after receiving such notice, take such action as is necessary to fully remedy such Good Reason event in which case the Good Reason event shall be deemed to have not occurred.

In the event the Participant experiences a Termination of Employment due to Retirement or Termination of Employment without Cause that is not followed by an immediate re-hire by the Company or any of its Affiliates, notwithstanding Sections 3(c) and (d), if the Termination of Employment meets the requirements of this Section 3(e), then the Units will vest as set forth in Section 3(e).

The Participant hereby acknowledges and agrees that this Section 3(e) shall apply to the Units in lieu of Section 1.2 of the Company's Change in Control Severance Plan For Corporate Officers, and Section 1.2 of the Company's Change in Control Severance Plan For Corporate Officers shall have no application with respect to the Units.

- (f) Except as provided in Section 3(c) or 3(d) above, no Units shall vest on or following the Participant's Termination of Employment and any Units that are unvested immediately following Termination of Employment will be forfeited.
- (g) Fractional Units will be rounded down to the nearest whole number Unit.

4. **Delivery of Stock.** Subject to the terms and conditions herein, when the Units vest, the Company shall issue and deliver, through an uncertificated book entry or similar method pursuant to Section 14 herein, to the Participant a number of shares of the Company's common stock, par value \$0.01 per share ("Stock") without restrictions equal to the aggregate number of vested Units credited to the Participant. These shares will be registered in the name of the Participant for such Stock and subject to applicable tax withholding.
5. **Purchase Price.** The full price for each of the shares issued upon vesting pursuant to the Units granted herein shall be **\$0.00**.
6. **No Stockholder Rights.** The Participant will have no rights as a stockholder with regard to the Units prior to vesting and will have no rights to dividends or Dividend Equivalents with regard to the Units.
7. **Non-Transferability.** The Units herein granted are non-assignable and non-transferable, other than by will or by the laws of descent and distribution, and during the Participant's lifetime shall be owned only by the Participant unless and until the restrictions on the Units lapse. Notwithstanding the foregoing, the Compensation Committee may, in its sole discretion, permit the transfer of the Units to the extent such transfer is allowed under the Plan.
8. **Adjustment.** The Units shall be subject to adjustment to the extent provided in Section 13 of the Plan.
9. **Restrictive Covenants.** The Units granted hereunder shall be immediately forfeited and all rights hereunder shall be cancelled immediately unless (i) the Participant had accepted and delivered to the Company in connection with previous Unit grants a restrictive covenant substantially in the form enclosed with this Award Agreement, or (ii) the Participant accepts and delivers the restrictive covenant enclosed herewith within six months of the Date of Grant of the Units set forth above and returns one to Broadridge Financial Solutions, Inc., 5 Dakota Drive, Suite 300, Lake Success, New York 11042, United States of America, Attention: Compensation Department. If the Company does not receive confirmation of acceptance of the restrictive covenant within such six-month period, this grant shall be canceled and forfeited in its entirety.
10. **Plan Controls.** This Award Agreement is subject to all the terms, conditions and provisions of the Plan, including, without limitation, the amendment provisions thereof, and to such rules, regulations and interpretations relating to the Plan as may be adopted by the Compensation Committee and as may be in effect from time to time. The Plan is incorporated herein by reference. By accepting this Award Agreement, the Participant acknowledges having received or otherwise having been given access to, and read a copy of the Plan and agrees to comply with it, this Award Agreement and all applicable laws and regulations. If and to the extent that this Award Agreement conflicts or is inconsistent with the terms, conditions and provisions of the Plan, the Plan shall control, and this Award Agreement shall be deemed to be modified accordingly. Subject to Section 9 above and Section 17 below, this Award Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes any prior agreements between the Company and the Participant with respect to the subject matter hereof.
11. **No Guarantee of Employment.** This Award Agreement is not an agreement of employment or other service. The grant of the Units does not guarantee that the Employer will employ the Participant for any specific time period, nor does it modify in any respect the Employer's right to terminate or modify the Participant's employment or compensation at any time.
12. **Withholding.** Upon vesting of the Units, a number of shares of Stock issuable under this Award Agreement, valued as of the date of the applicable tax withholding obligation, shall be automatically withheld from the shares of Stock otherwise deliverable to the Participant in an amount equal to the applicable withholding amount. Notwithstanding the foregoing, if such withholding method is not permissible under applicable laws or subject to adverse accounting consequences, pursuant to such procedures as the Compensation Committee may establish from time to time, the Company may withhold, or shall require payment by or on behalf of the Participant of, the applicable tax withholding amount by any other method the Compensation Committee deems acceptable and in accordance with the Plan.

13. Data Privacy

- (i) Data Collection and Usage. The Company and the Employer collects, processes and uses certain personal information about the Participant, and persons closely associated with the Participant, including, but not limited to, the Participant's name, home address and telephone number, email address, date of birth, social insurance number, passport or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Units or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("Data"), for the legitimate purposes of implementing, administering and managing the Plan. The legal basis, where required, for the processing of Data is the Participant's consent. Where required under applicable law, Data may also be disclosed to certain securities or other regulatory authorities where the Company's securities are listed or traded or regulatory filings are made.
- (ii) Stock Plan Administration Service Providers. The Company transfers Data to Morgan Stanley Smith Barney LLC, an independent service provider, which is assisting the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different service provider and share Data with such other provider serving in a similar manner. The Participant may be asked to agree on separate terms and data processing practices with the service provider, with such agreement being a condition to the ability to participate in the Plan.
- (iii) International Data Transfers. The Company and its service providers are based in the United States. The Participant's country or jurisdiction may have different data privacy laws and protections than the United States. For example, the European Commission has issued a limited adequacy finding with respect to the United States that applies only to the extent companies register for the EU-U.S. Privacy Shield program, which is open to companies subject to Federal Trade Commission jurisdiction and in which the Company currently does not participate with respect to employee data. The Company's legal basis, where required, for the transfer of Data is the Participant's consent.
- (iv) Data Retention. The Company will hold and use the Data only as long as is necessary to implement, administer and manage the Participant's participation in the Plan, or as required to comply with legal or regulatory obligations, including under tax, exchange control, labor and securities laws.
- (v) Voluntariness and Consequences of Consent Denial or Withdrawal. Participation in the Plan is voluntary and the Participant is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke the Participant's consent, the Participant's salary from or employment and career with the Employer will not be affected; the only consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant this Award or other awards to the Participant or administer or maintain such awards.
- (vi) Declaration of Consent. By accepting the Units and indicating consent via the Company's online acceptance procedure, the Participant is declaring that he or she agrees with the data processing practices described herein and consents to the collection, processing and use of Data by the Company and the transfer of Data to the recipients mentioned above, including recipients located in countries which do not adduce an adequate level of protection from a European (or other non-U.S.) data protection law perspective, for the purposes described above.

- (vii) ***Alternative Basis for Data Processing and Transfer.*** *The Participant understands that the Company may rely on a different legal basis for the processing or transfer of Data in the future and/or request that the Participant provide another data privacy consent form. If applicable and upon request of the Company, the Participant agrees to provide an executed acknowledgement or data privacy consent form to the Employer or the Company (or any other acknowledgements, agreements or consents that may be required by the Employer or the Company) that the Company and/or the Employer may deem necessary to obtain under the data privacy laws in the Participant's country, either now or in the future. The Participant understands that he or she will not be able to participate in the Plan if he or she fails to execute any such acknowledgement, agreement or consent requested by the Company and/or the Employer.*
14. **Uncertificated Book Entry.** Notwithstanding anything else herein, to the extent permitted under applicable federal, state or local law, the Company may issue the shares of Stock pursuant to the Units in the form of uncertificated shares. Such uncertificated shares of Stock shall be credited to a book entry account maintained by the Company (or its designee) on behalf of the Participant.
15. **Section 409A.** Although the Company does not guarantee to the Participant any particular tax treatment relating to the Units, the Units provided hereunder are intended to comply with the applicable requirements of Section 409A of the Code, to the extent subject thereto, and shall be limited, construed and interpreted in accordance with such intent. In no event whatsoever shall the Company be liable for any additional tax, interest or penalties that may be imposed on the Participant by Section 409A of the Code or any damages for failing to comply with Section 409A of the Code. To the extent the Units constitute deferred compensation subject to the requirements of Section 409A of the Code, and to the extent the Units are vested on the Participant's Termination of Employment in accordance with Sections 3(b), (c), (d) or (e) above, if on the date of the Participant's "separation from service" within the meaning of Section 409A(a)(2)(A)(i) of the Code, the Participant is deemed to be a "specified employee" within the meaning of Section 409A(a)(2)(B) of the Code, the delivery of the shares of Stock subject to the Units shall, to the extent required to be delayed pursuant to Section 409A(a)(2)(B) of the Code, be made on the date that is six months following such date or, if earlier, the date of the Participant's death. Notwithstanding any provision of this Award Agreement to the contrary, for purposes of any provision of this Award Agreement providing for distribution of shares of Stock upon a Termination of Employment that is considered deferred compensation under Section 409A, references to the Participant's Termination of Employment (and corollary terms) with the Company shall be construed to refer to the Participant's "separation from service" (within the meaning of Treas. Reg. Section 1.409A-1(h)) with the Company.
16. **Governing Law; Amendment; Venue.** It is understood and agreed that these Units have been granted pursuant to the Plan which shall be governed by, and construed in accordance with, the laws of the State of Delaware. The Compensation Committee may amend, suspend or terminate this Award Agreement subject to and in accordance with the terms of the Plan. For purposes of litigating any dispute concerning the grant of the Units or the Award Agreement, the Participant and the Company agree and consent to the exclusive jurisdiction of the State of New York, and agree that such litigation shall be conducted exclusively in the courts of Nassau County, New York, or the federal courts for the United States for the Eastern District of New York, where this grant is made and/or to be performed.
17. **Clawback.** To the extent that the vesting of any Units was based on the achievement of financial results that were subsequently restated due to material noncompliance with financial reporting requirements by the Company or an Affiliate and a reduced portion of the Units would have vested based upon the restated financial results, the Participant will forfeit and return to the Company the portion of the Units or number of shares of Stock received in excess of the number of Units that would have vested based on the restated financial results (or if the Participant has disposed of such shares of Stock received pursuant to the Units, the Participant will return cash to the Company in an amount equal to the value of such number of excess shares of Stock on the date of disposition). As a condition to the grant of these Units, the Participant agrees that he or she will be subject to, and comply with the terms of, the Company's Clawback Policy as in effect from time to time as it applies to any compensation, including equity awards, bonus and other incentive awards.
18. **Severability.** Whenever feasible, each provision of this Award Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Award Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Award Agreement.
19. **Successors and Assigns.** Except as otherwise provided herein, this Award Agreement will bind and inure to the benefit of the respective successors and permitted assigns and heirs and legal representatives of the parties hereto whether so expressed or not.

20. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the Units and on any shares of Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.
21. **Compliance with Laws and Regulations.** Notwithstanding any other provisions of the Plan or this Award Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the shares of Stock, the Participant understands that the Company will not be obligated to issue any shares of Stock pursuant to the Units if the issuance of such shares of Stock shall constitute a violation by the Participant or the Company of any provision of law or regulation of any governmental authority. Further, the Company may amend, suspend or terminate the Plan and the Award Agreement subject to and in accordance with the terms of the Plan, including but not limited to, the unilateral authority to amend the Plan and the Award Agreement without the Participant's consent to the extent necessary to comply with securities or other laws applicable to the Units or the issuance of shares of Stock. Any determination by the Company in this regard shall be final, binding and conclusive.
22. **Waivers.** The Participant acknowledges that a waiver by the Company of breach of any provision of the Award Agreement shall not operate or be construed as a waiver of any other provision of the Award Agreement, or of any subsequent breach by the Participant or any other Participant.
23. **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.
24. **Insider Trading Restrictions/Market Abuse Laws.** The Participant acknowledges that, depending on his or her country, the broker's country, or the country in which the shares of Stock are listed, the Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect his or her ability to directly or indirectly, accept, acquire, sell, or attempt to sell or otherwise dispose of shares of Stock, rights to shares of Stock (e.g., Units), or rights linked to the value of shares of Stock during such times as the Participant is considered to have "inside information" regarding the Company (as defined by the laws and/or regulations in the applicable jurisdictions or the Participant's country). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant places before possessing the insider information to any third party, including fellow employees (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them to otherwise buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Participant acknowledges that it is his or her responsibility to comply with any applicable restrictions, and the Participant is advised to speak to his or her personal advisor on this matter.

By: _____

Adam D. Amsterdam
Corporate Vice President/General Counsel

Date: [GRANT DATE]

Restrictive Covenant

In my position(s) with Broadridge Financial Solutions, Inc., its subsidiaries and affiliates (collectively “Broadridge”), I participate in policy decisions and have access to Broadridge's confidential information and trade secrets. I enjoy substantial compensation and benefits from Broadridge and am participating substantially in its 2018 Omnibus Award Plan. Since it is in Broadridge’s best interests that all employees in executive positions execute restrictive covenants (this “Agreement”), I agree as follows:

1. During the period that I am a Broadridge employee and ending [_____] months after the date I cease to be a Broadridge employee for any reason whatsoever (the “Non-Competition Period”), I will not, provided that I have been a Broadridge employee for at least six months, directly or indirectly, become or be interested in, employed by, or associated with in any capacity, any person, corporation, partnership or other entity whatsoever (a “Person”) engaged in any aspect of Broadridge’s businesses or businesses Broadridge has formal plans to enter on the date I cease to be a Broadridge employee (the “Termination Date”), in a capacity which is the same or similar to any capacity in which I was involved during the last two years of my employment by Broadridge. The restrictions set forth in this paragraph 1 shall apply only to Broadridge businesses existing at the time my employment terminates and businesses that Broadridge has formal plans to enter with which I was involved. After the Termination Date, however, nothing shall prevent me from owning, as an inactive investor, securities of any competitor of Broadridge which is listed on a national securities exchange. Furthermore, after the Termination Date, I may become employed in a separate, autonomous division of a corporation provided such division is not a competitor of Broadridge.
2. During and after my employment by Broadridge, I will not use, or disclose to any Person any confidential information, trade secrets and proprietary information of Broadridge, its vendors, licensors, marketing partners or clients, learned by me during my employment and/or any of the names and addresses of clients of Broadridge. I acknowledge that I am prohibited from taking any confidential, proprietary or other materials or property of Broadridge with me upon termination of my employment. Upon termination of my employment, I shall return all Broadridge materials (including, without limitation, all memoranda and notes containing the names, addresses and/or needs of Broadridge clients and bona fide prospective clients) in my possession or over which I exercise control, regardless of whether such materials were prepared by Broadridge, me or a third party.
3. During the Non-Competition Period, I shall not, on my behalf or on behalf of any other Person, directly or indirectly, solicit, contact, call upon, communicate with or attempt to communicate with any Person which was a client or a bona fide prospective client of Broadridge before the Termination Date to sell, license or lease any software or service competitive or potentially competitive with any software or services sold, licensed, leased, provided or under development by Broadridge during the two-year period prior to the Termination Date, provided that the restrictions set forth in this paragraph 3 shall only apply to clients or bona fide prospective clients of businesses of Broadridge with which I was involved.
4. During the Non-Competition Period, I will not, directly or indirectly, hire, contract with, solicit, or encourage to leave Broadridge’s employ any Broadridge employee, and I will not hire or contract with any former Broadridge employee within one year after the date such person ceases to be a Broadridge employee.

5. During my employment by Broadridge, I shall not accept any position (unless such position is to commence after my employment ceases), compensation, reimbursement or funds, or their equivalent, from any Person engaged in any business in which Broadridge is engaged.
6. A violation of the foregoing covenants not to compete, not to disclose, not to solicit and not to hire will cause irreparable injury to Broadridge. Broadridge shall be entitled, in addition to any other rights and remedies it may have at law or in equity, to an injunction enjoining and restraining me from performing, and continuing in the performance of, any such violation.
7. I understand and acknowledge that Broadridge shall have the sole and exclusive rights to anything relating to its actual or prospective business which I conceive or work on, either in whole or in part, while employed by Broadridge and that all such work product may be the property of Broadridge as "works for hire" under federal copyright law and may also constitute Broadridge confidential and proprietary information. Accordingly, I:
 - (a) will promptly and fully disclose all such items to Broadridge and will not disclose such items to any other person or entity without Broadridge's prior consent;
 - (b) will maintain on Broadridge's behalf and surrender to Broadridge upon termination of my employment appropriate written records regarding all such items;
 - (c) will, but without personal expense, fully cooperate with Broadridge, execute all papers and perform all acts requested by Broadridge to establish, confirm or protect its exclusive rights in such items or to enable it to transfer legal title to such items, together with any patents that may be issued;
 - (d) will, but without personal expense, provide such information and true testimony as Broadridge may request regarding such items including, without limitation, items which I neither conceived nor worked on but regarding which I have knowledge because of my employment with Broadridge;
 - (e) hereby assign to Broadridge, its successors and assigns, exclusive right, title and interest in and to all such items, including any patents which have been or may be issued; and
 - (f) state that only such items in which I personally hold or claim an interest and which are not subject to this Agreement are listed on the Ownership Schedule attached hereto. The absence of an Ownership Schedule means that no such items exist.
1. I understand that nothing in this Agreement shall prohibit or restrict me, without notice to or authorization from Broadridge, from: (a) initiating communications with the U.S. Securities and Exchange Commission ("SEC") or any other administrative or regulatory (including self-regulatory) agency or authority ("Agencies") about Broadridge that relate to possible violation of any laws or regulations; or (b) providing to the SEC or other Agencies, voluntarily or otherwise, confidential information about Broadridge that relates to possible violation of any laws or regulations. I further understand that nothing in this Agreement limits or restricts my ability to receive a payment pursuant to any whistleblower incentive award program administered by the SEC or other Agencies.
2. I acknowledge that I have been hereby notified in accordance with the Defend Trade Secrets Act of 2016 that I will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. I have been further notified that if I file a lawsuit for retaliation for reporting a suspected violation of law, I may disclose Broadridge's trade secrets to my attorney and use the trade secret information in the court proceeding if I: (a) file any document containing the trade secret under seal; and (b) do not disclose the trade secret, except pursuant to court order.

3. My obligations under this Agreement shall be binding upon me regardless of which office(s) of Broadridge I am employed at or position(s) I hold and shall inure to the benefit of any successors or assigns of Broadridge. This Agreement supplements and does not supersede any prior agreement(s) on the subject matter addressed herein.

y provision of this Agreement is invalid or unenforceable, the balance of this Agreement shall remain in effect. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York. I acknowledge that the terms of this Agreement are reasonable and that I have had a reasonable opportunity to consult with an attorney before agreeing to the terms of this Agreement. For the avoidance of doubt, I agree that in the event that any court of competent jurisdiction should hold that the duration, area or other scope or other term of a restriction set forth in this Agreement is unreasonable or unenforceable under circumstances now or hereafter existing, the maximum duration, area and scope of restriction and other term reasonable under the circumstances shall be substituted.

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Non-Qualified
[GRANT DATE]

**BROADRIDGE FINANCIAL SOLUTIONS, INC.
2018 OMNIBUS AWARD PLAN
STOCK OPTION GRANT AWARD AGREEMENT
FOR U.S. CORPORATE OFFICERS**

On [GRANT DATE], BROADRIDGE FINANCIAL SOLUTIONS, INC. ("Broadridge" or the "Company") granted to you (the "Participant"), pursuant to the Broadridge 2018 Omnibus Award Plan (the "Plan"), the right and option to purchase [NUMBER OF SHARES] shares of the Common Stock of the Company, by action of the Compensation Committee of the Board of Directors of the Company, subject to the terms and conditions of this Stock Option Grant Award Agreement (the "Award Agreement"). Capitalized terms in this Award Agreement that are not otherwise defined shall have the same meaning as set forth in the Plan.

1. **Non-Qualified Option.** The number of options granted is equal to the number shown on the Participant's Online Grant Acceptance page which is accessed through the Morgan Stanley StockPlan Connect website. The applicable number of options is shown with the grant type "NQ" and a grant date of [DATE]. No part of the option granted hereby is intended to qualify as an "incentive stock option" under Section 422 of the U.S. Internal Revenue Code of 1986, as amended (the "Code").
2. **Vesting.**
 - (a) Subject to the terms and conditions herein, the option herein granted shall become exercisable in whole or in part as follows; provided (except as specifically provided below) that the Participant is continuously employed by the Company or any of its Affiliates through the applicable vesting date:
 - (i) Exercisable as to 25% of the shares on and after [VESTING DATE];
 - (ii) Exercisable as to an additional 25% of the shares on and after [VESTING DATE];
 - (iii) Exercisable as to an additional 25% of the shares on and after [VESTING DATE];
 - (iv) Exercisable as to an additional 25% of the shares on and after [VESTING DATE]; and
 - (v) Exercisable in full upon the Participant experiencing a Termination of Employment due to his or her death or Disability. For purposes of this Award Agreement, "Disability" shall mean qualification for long-term disability benefits under the long-term disability plan or policy, as it may be amended from time to time, of the Company or, if different, the Affiliate which employs the Participant (the "Employer"), regardless of whether the Participant is covered by such policy. If the Company or the Employer does not have a long-term disability policy, "Disability" means that a Participant is unable to carry out the responsibilities and functions of the positions held by the Participant by reason of any medically determined physical or mental impairment for a period of not less than one hundred and eighty (180) consecutive days. A Participant shall not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Company in its discretion.
 - (a) Notwithstanding Section 2(a) above, if the Participant experiences a Termination of Employment due to his or her Retirement (as defined below) or due to the termination of his or her employment without Cause (as defined below), in each case, that is not followed by an immediate re-hire by the Company or any of its Affiliates, this option will vest as follows:

- (i) If the Participant experiences a Termination of Employment due to Retirement, this option will continue to vest and become exercisable on the date(s) set forth in Section 2(a) above, but only if such date is within three years after the Retirement date.
- (ii) If the Participant experiences a Termination of Employment due to the termination of his or her employment without Cause (and not due to the Participant's Retirement) that is not followed by an immediate re-hire by the Company or any of its Affiliates, this option will continue to vest and become exercisable as set forth in Section 2(a) above during the Severance Period (as defined below), provided the Participant executes a Release and Restrictive Covenant Agreement in a form as attached to the Officer Severance Plan, as amended (the "Release"), within 50 days of the date of Termination of Employment. If the Participant subsequently breaches any of the terms of the Release, the Participant shall forfeit any unvested and vested options that are outstanding at the time the Participant is determined to have violated the terms of the Release.

Notwithstanding the above, if the Termination of Employment meets the requirements of Section 2(c) below, the option will vest as set forth in Section 2(c).

For purposes of this Award Agreement, "Retirement" is defined as: (i) Termination of Employment for any reason other than Cause if the Participant is age 65 and over, and (ii) involuntary Termination of Employment without Cause that is not followed by an immediate re-hire by the Company or any of its Affiliates if the Participant is age 60 and over. If the Participant incurs a voluntary Termination of Employment between ages 60 and 64, he will not be eligible for these retirement provisions.

For purposes of this Award Agreement, "Cause" shall mean: (1) the Participant is convicted of, or pleads nolo contendere to, a felony; (2) willful misconduct by the Participant resulting in material harm to the Company or any of its Affiliates; (3) the Participant commits an act constituting fraud, embezzlement, theft, or dishonesty against the Company or an Affiliate resulting in material harm to the Company or any of its Affiliates; (4) continuing failure by the Participant to perform his or her duties after written notice thereof from the Company or an Affiliate; or (5) material breach by the Participant of any term of any confidentiality, non-solicitation and/or non-competition agreements with the Company or an Affiliate.

For purposes of this Award Agreement, the Participant's "Severance Period" shall mean the period commencing with the Participant's Termination of Employment and ending eighteen months after his or her Termination of Employment.

- (b) Notwithstanding Section 2(a) above, if a Change in Control (as defined in the Plan) occurs and, within two years thereafter, the Participant experiences a Termination of Employment by the Company without Cause or by the Participant for Good Reason that is not followed by an immediate re-hire by the Company or any of its Affiliates, then this option will become vested and exercisable in full at the time of such Termination of Employment. For purposes hereof, "Good Reason" means the occurrence of any of the following after a Change in Control without the Participant's written consent: (i) material diminution with respect to the Participant's position, duties, responsibilities, or authority as of the date immediately prior to the Change in Control; (ii) a material reduction in the Participant's aggregate compensation and benefits; (iii) a failure of any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) of the Company to assume in writing the obligations hereunder; or (iv) a change in the location of the Participant's primary worksite by more than fifty (50) miles from the location immediately prior to the Change in Control. A termination for Good Reason shall mean a termination by the Participant effected by written notice given by the Participant to the Employer within 30 days after the occurrence of the Good Reason event, unless the Employer shall, within 15 days after receiving such notice, take such action as is necessary to fully remedy such Good Reason event in which case the Good Reason event shall be deemed to have not occurred.

The Participant hereby acknowledges and agrees that this Section 2(c) shall apply to this option in lieu of Section 1.2 of the Company's Change in Control Severance Plan For Corporate Officers,

and Section 1.2 of the Company's Change in Control Severance Plan For Corporate Officers shall have no application with respect to this option.

(c) Except as otherwise set forth in sub-paragraph (b) above, no shares shall become exercisable following the Participant's Termination of Employment.

(d) There shall be no proportionate or partial vesting in the periods prior to each vesting date and all vesting shall occur only on the appropriate vesting date, provided, except as otherwise set forth in sub-paragraph (b) above, that the Participant has not experienced a Termination of Employment at any time prior to such vesting date.

3. **Termination of Option.** The unexercised portion of the option herein granted shall automatically and without notice terminate and become null and void at the time of the earliest of the following to occur:

(a) the expiration of ten years from the date on which the option was granted;

(b) the expiration of 60 days from the date of the Participant's Termination of Employment; *provided, however*, that (i) if the Participant's Termination of Employment is due to the Disability of the Participant, the provisions of sub-paragraph (c) below shall apply, (ii) if the Participant's Termination of Employment is due to his or her death during employment by the Employer or an Affiliate or the Participant dies during the 60-day period following the date of the Participant's Termination of Employment, the provisions of sub-paragraph (d) below shall apply; (iii) if the Participant experiences a Termination of Employment due to his or her Retirement, the provisions of sub-paragraph (e) below shall apply; (iv) if the Participant experiences a Termination of Employment due to his or her "Early Retirement" (defined as at least 55 years of age at the time of termination with at least five credited years of service with the Company or an Affiliate) at the time of the Participant's Termination of Employment, the provisions of sub-paragraph (f) below shall apply; and (v) if the Participant experiences a Termination of Employment without Cause, and not due to the Participant's Retirement or as described in Section 2(c) above that is not followed by an immediate re-hire by the Company or any of its Affiliates, and provided the Participant is entitled to continued vesting through the Severance Period pursuant to Section 2(b)(ii), the provisions of sub-paragraph (g) below shall apply.

(c) if Section 3(b)(i) applies, the expiration of 12 months after the Participant's Termination of Employment because of Disability of the Participant; *provided, however*, that if such Participant shall die during such 12 month period, then the unexercised portion shall become null and void 12 months after the death of the Participant;

(d) if Section 3(b)(ii) applies, the expiration of 12 months after the death of the Participant;

(e) if Section 3(b)(iii) applies, the expiration of 36 months after the Retirement of the Participant; *provided, however*, that if such Participant shall die during the 36 month period following the date of such Participant's Retirement, then the unexercised portion shall become null and void on the later of (i) the expiration of 36 months after the Retirement of Participant, and (ii) 12 months after the death of the Participant;

(f) if Section 3(b)(iv) applies, the expiration of 12 months after the Participant's Termination of Employment; *provided, however*, that if such Participant shall die during such 12 month period, then the unexercised portion shall become null and void on the later of (i) the expiration of 12 months after the Participant's Termination of Employment, and (ii) 12 months after the death of the Participant; and

(g) if Section 3(b)(v) applies, the expiration of 60 days following the Severance Period; *provided, however*, that if such Participant shall die during such Severance Period, then the unexercised portion shall become null and void on the later of (i) the expiration of 60 days following the Severance Period, and (ii) 12 months after the death of the Participant.

4. **Term of Option.** For the avoidance of doubt, and notwithstanding any provision or interpretation of Section 3 to the contrary, the unexercised portion of the option herein granted shall automatically and without notice terminate and become null and void upon the expiration of ten years from the date on which the option was granted.
5. **Exercise Price.** The full price for each of the shares purchased pursuant to the option granted herein shall be \$[_____].
6. **Method of Exercise.** Full payment for shares purchased by the Participant shall be made at the time of the exercise of the option in whole or in part, following which uncertificated book entry shares shall be deposited in the Participant's account at the Company's transfer agent promptly thereafter. No shares shall be transferred to the Participant until full payment therefor has been made in accordance with a form of payment provided in Section 7(b)(i) of the Plan, and the Participant shall have none of the rights of a stockholder with respect to any shares subject to this option until such deposit shall have occurred. A cash form of payment under Section 7(b)(i) of the Plan includes, without limitation, cashless exercise whereby the Participant delivers irrevocable instructions to a Company-approved broker to promptly deliver to the Company an amount equal to the purchase price for the shares purchased pursuant to the option herein granted and to satisfy any statutorily required withholding obligations, as applicable.
7. **Non-Transferability.** The option herein granted is non-assignable and non-transferable, other than by will or by the laws of descent and distribution, and during the Participant's lifetime shall be exercisable only by the Participant. Notwithstanding the foregoing, the Compensation Committee may, in its sole discretion, permit the transfer of the option to the extent such transfer is allowed under the Plan.
8. **Adjustment.** The option shall be subject to adjustment to the extent provided in Section 13 of the Plan.
9. **Restrictive Covenants.** The option granted hereunder shall be immediately forfeited and all rights hereunder shall be cancelled immediately unless (i) the Participant had accepted and delivered to the Company in connection with previous option grants a restrictive covenant substantially in the form enclosed with this Award Agreement, or (ii) the Participant accepts and delivers the restrictive covenant enclosed herewith within six months of the Grant Date of the option set forth above and returns one to Broadridge Financial Solutions, Inc., 5 Dakota Drive, Suite 300, Lake Success, New York 11042, United States of America, Attention: Compensation Department. If the Company does not receive confirmation of acceptance of the restrictive covenant within such six-month period, this grant shall be canceled and forfeited in its entirety.
10. **Stockholder Rights.** The Participant shall have no rights as a stockholder with respect to any shares of Stock covered by the option unless and until the Participant has become the holder of record of the shares of Stock, and no adjustments shall be made for dividends in cash or other property, distributions or other rights in respect of any such shares of Stock, except as otherwise specifically provided for in the Plan.
11. **Plan Controls.** This Award Agreement is subject to all the terms, conditions and provisions of the Plan, including, without limitation, the amendment provisions thereof, and to such rules, regulations and interpretations relating to the Plan as may be adopted by the Compensation Committee and as may be in effect from time to time. The Plan is incorporated herein by reference. By accepting this Award Agreement, the Participant acknowledges having received or otherwise having been given access to, and read a copy of the Plan and agrees to comply with it, this Award Agreement and all applicable laws and regulations. If and to the extent that this Award Agreement conflicts or is inconsistent with the terms, conditions and provisions of the Plan, the Plan shall control, and this Award Agreement shall be deemed to be modified accordingly. Subject to Section 9 above and Section 18 below, this Award Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes any prior agreements between the Company and the Participant with respect to the subject matter hereof.
12. **No Guarantee of Employment.** This Award Agreement is not an agreement of employment or other services. This grant of the option does not guarantee that the Employer will employ the Participant for any specific time period, nor does it modify in any respect the Employer's right to terminate or modify the Participant's employment or compensation at any time.

13. **Withholding.** Pursuant to such procedures as the Compensation Committee may establish from time to time, the Company shall withhold, or shall require payment by or on behalf of the Participant of, the amount of all applicable U.S. and non-U.S. federal, state or local taxes in connection with the option that the Company is required to withhold in accordance with applicable law; provided that the Compensation Committee, in its sole discretion and pursuant to such procedures as it may establish from time to time, may permit the Participant to satisfy such taxes, in whole or in part, by withholding from the shares of Stock otherwise deliverable to the Participant under the option a number of shares of Stock with a value not to exceed the amount of such taxes determined at the maximum individual rate applicable in the relevant jurisdiction.
14. **Data Privacy.**
- (i) **Data Collection and Usage.** *The Company and the Employer collects, processes and uses certain personal information about the Participant, and persons closely associated with the Participant, including, but not limited to, the Participant's name, home address and telephone number, email address, date of birth, social insurance number, passport or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Options or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("Data"), for the legitimate purposes of implementing, administering and managing the Plan. The legal basis, where required, for the processing of Data is the Participant's consent. Where required under applicable law, Data may also be disclosed to certain securities or other regulatory authorities where the Company's securities are listed or traded or regulatory filings are made.*
 - (ii) **Stock Plan Administration Service Providers.** *The Company transfers Data to Morgan Stanley Smith Barney LLC, an independent service provider, which is assisting the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different service provider and share Data with such other provider serving in a similar manner. The Participant may be asked to agree on separate terms and data processing practices with the service provider, with such agreement being a condition to the ability to participate in the Plan.*
 - (iii) **International Data Transfers.** *The Company and its service providers are based in the United States. The Participant's country or jurisdiction may have different data privacy laws and protections than the United States. For example, the European Commission has issued a limited adequacy finding with respect to the United States that applies only to the extent companies register for the EU-U.S. Privacy Shield program, which is open to companies subject to Federal Trade Commission jurisdiction and in which the Company currently does not participate with respect to employee data. The Company's legal basis, where required, for the transfer of Data is the Participant's consent.*
 - (iv) **Data Retention.** *The Company will hold and use the Data only as long as is necessary to implement, administer and manage the Participant's participation in the Plan, or as required to comply with legal or regulatory obligations, including under tax, exchange control, labor and securities laws.*
 - (v) **Voluntariness and Consequences of Consent Denial or Withdrawal.** *Participation in the Plan is voluntary and the Participant is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke the Participant's consent, the Participant's salary from or employment and career with the Employer will not be affected; the only consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant this option or other awards to the Participant or administer or maintain such awards.*

- (vi) ***Declaration of Consent.*** By accepting the option and indicating consent via the Company's online acceptance procedure, the Participant is declaring that he or she agrees with the data processing practices described herein and consents to the collection, processing and use of Data by the Company and the transfer of Data to the recipients mentioned above, including recipients located in countries which do not adduce an adequate level of protection from a European (or other non-U.S.) data protection law perspective, for the purposes described above.
- (vii) ***Alternative Basis for Data Processing and Transfer.*** The Participant understands that the Company may rely on a different legal basis for the processing or transfer of Data in the future and/or request that the Participant provide another data privacy consent form. If applicable and upon request of the Company, the Participant agrees to provide an executed acknowledgement or data privacy consent form to the Employer or the Company (or any other acknowledgements, agreements or consents that may be required by the Employer or the Company) that the Company and/or the Employer may deem necessary to obtain under the data privacy laws in the Participant's country, either now or in the future. The Participant understands that he or she will not be able to participate in the Plan if he or she fails to execute any such acknowledgement, agreement or consent requested by the Company and/or the Employer.
15. **Uncertificated Book Entry.** Notwithstanding anything else herein, to the extent permitted under applicable federal, state or local law, the Company may issue the shares of Stock pursuant to this option in the form of uncertificated shares. Such uncertificated shares of Stock shall be credited to a book entry account maintained by the Company (or its designee) on behalf of the Participant.
16. **Section 409A.** Although the Company does not guarantee to the Participant any particular tax treatment relating to the option, the option provided hereunder is intended to be exempt from the applicable requirements of Section 409A of the Code and shall be limited, construed and interpreted in accordance with such intent. In no event whatsoever shall the Company be liable for any additional tax, interest or penalties that may be imposed on the Participant by Section 409A of the Code or any damages for failing to comply with Section 409A of the Code.
17. **Governing Law; Amendment; Venue.** It is understood and agreed that this option has been granted pursuant to the Plan, which shall be governed by, and construed in accordance with, the laws of the State of Delaware. The Compensation Committee may amend, suspend or terminate this Award Agreement subject to and in accordance with the terms of the Plan. For purposes of litigating any dispute concerning the grant of the option or the Award Agreement, the Participant and the Company agree and consent to the exclusive jurisdiction of the State of New York, and agree that such litigation shall be conducted exclusively in the courts of Nassau County, New York or the federal courts for the United States for the Eastern District of New York, where this grant is made and/or to be performed.
18. **Clawback.** Notwithstanding any term of this Award Agreement to the contrary, the Company reserves the right to cancel this option or require the return of shares of Stock received under this option (or the cash value of the shares of Stock, as determined by the Board of Directors in its sole discretion) to the extent provided under, and in accordance with, the Company's Clawback Policy as in effect from time to time, which Policy is incorporated into this Award Agreement by reference. As a condition to the grant of this option, the Participant agrees that he or she will be subject to, and comply with the terms of, the Company's Clawback Policy as in effect from time to time as it applies to any compensation, including equity awards, bonus and other incentive awards.
19. **Severability.** Whenever feasible, each provision of this Award Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Award Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Award Agreement.
20. **Successors and Assigns.** Except as otherwise provided herein, this Award Agreement will bind and inure to the benefit of the respective successors and permitted assigns and heirs and legal representatives of the parties hereto whether so expressed or not.

21. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the option and on any shares of Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.
22. **Compliance with Laws and Regulations.** Notwithstanding any other provisions of the Plan or this Award Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the shares of Stock, the Participant understands that the Company will not be obligated to issue any shares of Stock pursuant to the option if the issuance of such shares of Stock shall constitute a violation by the Participant or the Company of any provision of law or regulation of any governmental authority. Further, the Company may amend, suspend or terminate the Plan and the Stock Option Grant Award Agreement subject to and in accordance with the terms of the Plan, including but not limited to, the unilateral authority to amend the Plan and the Stock Option Grant Award Agreement without the Participant's consent to the extent necessary to comply with securities or other laws applicable to the option or the issuance of shares of Stock. Any determination by the Company in this regard shall be final, binding and conclusive.
23. **Waivers.** The Participant acknowledges that a waiver by the Company of breach of any provision of the Stock Option Grant Award Agreement shall not operate or be construed as a waiver of any other provision of the Stock Option Grant Award Agreement, or of any subsequent breach by the Participant or any other Participant.
24. **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.
25. **Insider Trading Restrictions/Market Abuse Laws.** The Participant acknowledges that, depending on his or her country, the broker's country, or the country in which the shares of Stock are listed, the Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect his or her ability to directly or indirectly, accept, acquire, sell, or attempt to sell or otherwise dispose of shares of Stock, rights to shares of Stock (*e.g.*, options), or rights linked to the value of shares of Stock during such times as the Participant is considered to have "inside information" regarding the Company (as defined by the laws and/or regulations in the applicable jurisdictions or the Participant's country). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant places before possessing the insider information to any third party, including fellow employees (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them to otherwise buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Participant acknowledges that it is his or her responsibility to comply with any applicable restrictions, and the Participant is advised to speak to his or her personal advisor on this matter.

By: _____

Adam D. Amsterdam

Corporate Vice President / General Counsel

Date: [GRANT DATE]

Restrictive Covenant

In my position(s) with Broadridge Financial Solutions, Inc., its subsidiaries and affiliates (collectively "Broadridge"), I participate in policy decisions and have access to Broadridge's confidential information and trade secrets. I enjoy substantial compensation and benefits from Broadridge and am participating substantially in its 2018 Omnibus Award Plan. Since it is in Broadridge's best interests that all employees in executive positions execute restrictive covenants (this "Agreement"), I agree as follows:

1. During the period that I am a Broadridge employee and ending [] months after the date I cease to be a Broadridge employee for any reason whatsoever (the "Non-Competition Period"), I will not, provided that I have been a Broadridge employee for at least six months, directly or indirectly, become or be interested in, employed by, or associated with in any capacity, any person, corporation, partnership or other entity whatsoever (a "Person") engaged in any aspect of Broadridge's businesses or businesses Broadridge has formal plans to enter on the date I cease to be a Broadridge employee (the "Termination Date"), in a capacity which is the same or similar to any capacity in which I was involved during the last two years of my employment by Broadridge. The restrictions set forth in this paragraph 1 shall apply only to Broadridge businesses existing at the time my employment terminates and businesses that Broadridge has formal plans to enter with which I was involved. After the Termination Date, however, nothing shall prevent me from owning, as an inactive investor, securities of any competitor of Broadridge which is listed on a national securities exchange. Furthermore, after the Termination Date, I may become employed in a separate, autonomous division of a corporation provided such division is not a competitor of Broadridge.

2. During and after my employment by Broadridge, I will not use, or disclose to any Person any confidential information, trade secrets and proprietary information of Broadridge, its vendors, licensors, marketing partners or clients, learned by me during my employment and/or any of the names and addresses of clients of Broadridge. I acknowledge that I am prohibited from taking any confidential, proprietary or other materials or property of Broadridge with me upon termination of my employment. Upon termination of my employment, I shall return all Broadridge materials (including, without limitation, all memoranda and notes containing the names, addresses and/or needs of Broadridge clients and bona fide prospective clients) in my possession or over which I exercise control, regardless of whether such materials were prepared by Broadridge, me or a third party.

3. During the Non-Competition Period, I shall not, on my behalf or on behalf of any other Person, directly or indirectly, solicit, contact, call upon, communicate with or attempt to communicate with any Person which was a client or a bona fide prospective client of Broadridge before the Termination Date to sell, license or lease any software or service competitive or potentially competitive with any software or services sold, licensed, leased, provided or under development by Broadridge during the two-year period prior to the Termination Date, provided that the restrictions set forth in this paragraph 3 shall only apply to clients or bona fide prospective clients of businesses of Broadridge with which I was involved.

4. During the Non-Competition Period, I will not, directly or indirectly, hire, contract with, solicit, or encourage to leave Broadridge's employ any Broadridge employee, and I will not hire or contract with any former Broadridge employee within one year after the date such person ceases to be a Broadridge employee.

5. During my employment by Broadridge, I shall not accept any position (unless such position is to commence after my employment ceases), compensation, reimbursement or funds, or their equivalent, from any Person engaged in any business in which Broadridge is engaged.

6. A violation of the foregoing covenants not to compete, not to disclose, not to solicit and not to hire will cause irreparable injury to Broadridge. Broadridge shall be entitled, in addition to any

other rights and remedies it may have at law or in equity, to an injunction enjoining and restraining me from performing, and continuing in the performance of, any such violation.

7. I understand and acknowledge that Broadridge shall have the sole and exclusive rights to anything relating to its actual or prospective business which I conceive or work on, either in whole or in part, while employed by Broadridge and that all such work product may be the property of Broadridge as “works for hire” under federal copyright law and may also constitute Broadridge confidential and proprietary information. Accordingly, I:

- (a) will promptly and fully disclose all such items to Broadridge and will not disclose such items to any other person or entity without Broadridge’s prior consent;
- (b) will maintain on Broadridge’s behalf and surrender to Broadridge upon termination of my employment appropriate written records regarding all such items;
- (c) will, but without personal expense, fully cooperate with Broadridge, execute all papers and perform all acts requested by Broadridge to establish, confirm or protect its exclusive rights in such items or to enable it to transfer legal title to such items, together with any patents that may be issued;
- (d) will, but without personal expense, provide such information and true testimony as Broadridge may request regarding such items including, without limitation, items which I neither conceived nor worked on but regarding which I have knowledge because of my employment with Broadridge;
- (e) hereby assign to Broadridge, its successors and assigns, exclusive right, title and interest in and to all such items, including any patents which have been or may be issued; and
- (f) state that only such items in which I personally hold or claim an interest and which are not subject to this Agreement are listed on the Ownership Schedule attached hereto. The absence of an Ownership Schedule means that no such items exist.

8. I understand that nothing in this Agreement shall prohibit or restrict me, without notice to or authorization from Broadridge, from: (a) initiating communications with the U.S. Securities and Exchange Commission (“SEC”) or any other administrative or regulatory (including self-regulatory) agency or authority (“Agencies”) about Broadridge that relate to possible violation of any laws or regulations; or (b) providing to the SEC or other Agencies, voluntarily or otherwise, confidential information about Broadridge that relates to possible violation of any laws or regulations. I further understand that nothing in this Agreement limits or restricts my ability to receive a payment pursuant to any whistleblower incentive award program administered by the SEC or other Agencies.

9. I acknowledge that I have been hereby notified in accordance with the Defend Trade Secrets Act of 2016 that I will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. I have been further notified that if I file a lawsuit for retaliation for reporting a suspected violation of law, I may disclose Broadridge's trade secrets to my attorney and use the trade secret information in the court proceeding if I: (a) file any document containing the trade secret under seal; and (b) do not disclose the trade secret, except pursuant to court order.

10. My obligations under this Agreement shall be binding upon me regardless of which office(s) of Broadridge I am employed at or position(s) I hold and shall inure to the benefit of any successors or assigns of Broadridge. This Agreement supplements and does not supersede any prior agreement(s) on the subject matter addressed herein.

11. If any provision of this Agreement is invalid or unenforceable, the balance of this Agreement shall remain in effect. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York. I acknowledge that the terms of this Agreement are reasonable and that I have had a reasonable opportunity to consult with an attorney before agreeing to the terms of this Agreement. For the avoidance of doubt, I agree that in the event that any court of competent jurisdiction should hold that the duration, area or other scope or other term of a restriction set forth in this Agreement is

unreasonable or unenforceable under circumstances now or hereafter existing, the maximum duration, area and scope of restriction and other term reasonable under the circumstances shall be substituted.

After reviewing this document close this window to continue the grant acceptance process.

SECTION 302 CERTIFICATION

I, Timothy C. Gokey, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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 (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
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: November 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 Quarterly Report on Form 10-Q 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 (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
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: November 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 Quarterly Report of Broadridge Financial Solutions, Inc. (the “Company”) on Form 10-Q for the three months ended September 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.

/s/ Timothy C. Gokey

Timothy C. Gokey

President and Chief Executive Officer

November 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 Quarterly Report of Broadridge Financial Solutions, Inc. (the “Company”) on Form 10-Q for the three months ended September 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, James M. Young, Vice President, 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.

/s/ James M. Young

James M. Young

Vice President, Chief Financial Officer

November 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.