

Broadridge Files Letters on SEC Concept Release on Proxy System

Released : 10 21 2010

Says System Functions Well and Achieves Purposes

LAKE SUCCESS, N.Y.--(BUSINESS WIRE)-- Broadridge Financial Solutions, Inc. (NYSE:BR) today announced it has filed several letters in response to the Securities and Exchange Commission's Concept Release on the Proxy System.

In its four letters, the company provided a wide-range of in-depth information, including statistical data, analysis by leading economists, and the results of independent reviews. The letters provided detailed information on vote accuracy, process efficiency and voter participation.

"The information in these letters demonstrates that the U.S. proxy system functions well and achieves the primary purposes of the proxy rules -- to ensure that companies are able to distribute proxy materials to shareholders in a cost-efficient and timely manner, shareholders are given information that is material to their voting decisions in a timely manner, and proxies are timely and accurately collected and tabulated," said Richard J. Daly, Chief Executive Officer, Broadridge.

In the October 6th letter on Vote Accuracy Broadridge said that aspects of the system it administered helped achieve goals of vote accuracy, process integrity and transparency, and were consistently found to be reliable by a variety of constituencies and independent parties. Full text of the Vote Accuracy letter can be found by [clicking here](#).

In its October 14th letter on Process Efficiency, the company said it supports the needs of the most efficient and liquid markets in the world and ever-evolving and expanding regulatory requirements and that its systems, technologies, and scale create significant efficiencies for all constituencies involved in the proxy distribution process, including corporate issuers, shareholders, brokers and banks.

This letter further provided that, "The recurring savings on printing and postage alone exceed the service fees paid by several orders of magnitude. These savings result largely from significant ongoing levels of private-sector investment by Broadridge and our technology innovations." Full text of the Process Efficiency letter can be found by [clicking here](#).

On Voter Participation, its letter of October 19th provided that issuers are afforded a variety of methods to communicate; shareholders are provided a variety of methods to vote without sacrificing privacy preferences and that overall voting rates among beneficial shareholders are high. It recognized voting participation among retail shareholders is a concern and that technologies it provides are providing opportunities to efficiently increase participation. Full text of the Voter Participation letter can be found by [clicking here](#).

In its October 20th letter, the company also said, "It is evident that a range of ideas is being discussed by various commentators and interested parties. These ideas can generally be grouped among three categories:

- First, several ideas would potentially reverse decades of progress on accuracy, transparency, efficiency and participation. For example, a conceptual 'proxy reform plan' is vigorously promoted by some service providers who want a bigger piece of the pie, notwithstanding the fact that leading economists regard it as "flawed and economically incoherent," and indicate that it would result in higher costs to issuers, shareholders, and nominees.
- Second, other ideas recognize that the U.S. proxy system is fundamentally sound, and that the system as a whole may benefit from certain 'tweaks' or incremental improvements. These ideas reflect the facts as are known today: issuers can effect timely and efficient communications with beneficial shareholders; materials are timely delivered; shareholders have multiple means to vote; their preferences are captured and applied to proxy communications; the costs associated with physical mailings are being reduced; and, there is sufficient flexibility for capabilities to evolve with a changing regulatory landscape.
- Finally, some ideas recognize that the U.S. proxy system is on the cusp of vast changes in the world around us - in demography and in technology. Technologies that address the needs of a highly mobile society -- and that create appropriate environments for social networking -- hold transformative potential. These can make possible levels of participation, transparency, and efficiency beyond what is viewed as attainable today. Broadridge is confident that it can make these possibilities a reality and, as always, will verify its success and accuracy through leading independent audit firm reviews."

Full text of Mr. Daly's letters can be found by [clicking here](#).

About Broadridge

Broadridge is a technology services company focused on global capital markets. Broadridge is the market leader enabling secure and accurate processing of information for communications and securities transactions among issuers, investors and financial intermediaries. Broadridge builds the infrastructure that underpins proxy services for over 90% of public companies and mutual funds in North America; processes more than \$3 trillion in fixed income and equity trades per day; and saves companies billions annually through its technology solutions. For more information about Broadridge, please visit www.broadridge.com.

