

# Broadridge Report Calls for Clear 'Market Standard' on Shareholder Rights Directive and Increased Industry Engagement

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LAKE SUCCESS, N.Y., Nov. 30, 2017 /PRNewswire/ -- [Broadridge Financial Solutions, Inc.](#) (NYSE:BR), the global leader in investor communications for banks, mutual funds and public companies, has partnered with Aite Group to publish a new report on the updated Shareholder Rights Directive, a European regulatory initiative designed to encourage shareholder engagement in listed companies in Europe and improve the transparency of related processes including proxy voting.

The report, *Shareholder Rights Directive: Advancing to a State of Readiness*, highlights the need for stakeholders to engage with regulatory authorities to help shape an outcome that is equitable and commensurate with the corporate governance benefits of the directive, as well as ensuring orderly adherence to the incoming rulebook as the 2019 deadline approaches. The report identified several anticipated challenges in the introduction of the legislation, including the need to achieve a market standard for implementation by avoiding differing interpretations by national regulators.

"The Shareholder Rights Directive will bring a welcome level of transparency and governance, particularly in relation to proxy voting processes and issues such as director remuneration," said Demi Derem, general manager, Investor Communication Solutions International at Broadridge. "Broadridge is building collaborative model solutions and actively working with the industry to help its clients and all market participants involved in the shareholder communications value chain to prepare to meet their compliance and business objectives for the new rules well ahead of the EU's deadline for implementation."

The report also points to the problem of "regulatory fatigue," highlighting a large volume of on-going regulatory changes, as well as the likelihood that many firms have not yet assessed the full impact of the directive on their operations.

"The directive will drive greater transparency and enable more well-informed voting decisions by shareholders, however, the new requirements could create a myriad of operational challenges," said Virginie O'Shea, Research Director, Aite Group. "For example, national regulators have been given a relatively wide scope to interpret the new rules, which could lead to fragmented adoption and the absence of a common market standard. Industry stakeholders must use the review period to engage with regulatory bodies and address problems before they arise."

The majority of the directive, an amended version of the original 2007 legislation, must be translated by individual European member states by June 2019. The European Commission (EC) is now working with ESMA to produce technical standards that will guide national regulators.

## About Broadridge

Broadridge Financial Solutions, Inc. (NYSE:BR), a \$4 billion global fintech leader, provides investor communications and technology-driven solutions for broker-dealers, banks, mutual funds and corporate issuers globally. Broadridge's investor communications, securities processing and managed services solutions help clients reduce their capital investments in operations infrastructure, allowing them to increase their focus on core business activities. With over 50 years of experience, Broadridge's infrastructure underpins proxy voting services for over 90 percent of public companies and mutual funds in North America, and processes more than \$5 trillion in fixed income and equity trades per day. Broadridge employs approximately 10,000 full-time associates in 16 countries. For more information about Broadridge, please visit [www.broadridge.com](http://www.broadridge.com).

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