

Retail Investors Remain an Important "Untapped" Shareholder Segment, Finds New Report from Broadridge and PwC US

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NEW YORK, March 1, 2016 /PRNewswire/ -- [Broadridge Financial Solutions, Inc.](#) (NYSE:BR) and [PwC's Governance Insights Center](#) released their [ProxyPulse™](#) report for the 2015 shareholder meeting "mini-season," analyzing data from 1,053 U.S. public company shareholder meetings held between July 1, 2015 and December 31, 2015.

This first edition of ProxyPulse for 2016 finds that over the past four mini-seasons, institutional ownership of shares has grown from 58 percent to 62 percent of street shares. However, retail investors remain an important segment owning a significant portion (38 percent) of shares.

The analysis also revealed that on average, institutions voted 83 percent of their shares during the period, while retail investors voted only 28 percent, leaving 24 billion retail shares unvoted.

"Retail investors continue to be an important untapped group for company engagement," said Chuck Callan, senior vice president, regulatory affairs, Broadridge. "There are opportunities to improve engagement with all shareholders, particularly if a close vote is expected."

"The retail investor vote is especially important in the mini-season, because the period has a high percentage of smaller company annual meetings, and these smaller companies tend to have significant retail ownership," said Paul DeNicola, managing director of PwC's Governance Insights Center.

Other findings from the 2015 mini-season include:

- **Support for executive compensation remains strong.** Average support for say-on-pay proposals was 80 percent. Eight percent of say-on-pay votes failed to attain majority shareholder approval, and 20 percent failed to surpass the 70 percent support threshold, an important benchmark for many companies and proxy advisors. Of note, among the 20 percent that failed to reach the 70 percent threshold, retail investors voted 66 percent of their shares in favor.
- **Support for directors declined from last mini-season.** Though support for directors remains high, there was some slippage this mini-season compared to the 2014 mini-season. 125 directors failed to attain support from a majority of shares voted this year, and a total of almost 400 directors failed to reach the 70 percent support threshold.
- **Instances of weak shareholder support can carry over from year to year.** Low levels of shareholder support in director elections can persist from year to year. Fifty-five percent of companies that had a director fail to reach the 70 percent threshold in the 2014 mini-season also had a director fail to achieve that threshold in the 2015 mini-season.

This issue of ProxyPulse also addresses governance issues expected to impact the 2016 proxy season and beyond. These issues include shareholder activism, proxy access, pressures on board composition, director "over-boarding," and the continued push for transparency.

About ProxyPulse

ProxyPulse is based in part on Broadridge's processing of shares held in street name, which accounts for over 80 percent of all shares outstanding of U.S. publicly-listed companies. Shareholder voting trends during a proxy season represent a snapshot in time and may not be predictive of full-year results.

ProxyPulse is a collaboration between Broadridge, the leading provider of investor communication solutions for financial services firms, mutual funds and corporate issuers globally, and PwC's Governance Insights Center a group that supports directors and investors with governance knowledge to answer tough questions and tackle complex challenges. In addition, it provides perspectives from PwC's annual surveys of directors and investors. Visit [ProxyPulse.com](#) to access the full report.

About Broadridge

Broadridge Financial Solutions, Inc. (NYSE:BR) is the leading provider of 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 on average \$5 trillion in fixed income and equity trades per day. Broadridge employs approximately 7,400 full-time associates in 14 countries. For more information about Broadridge, please visit [www.broadridge.com](#).

About PwC US

At PwC US, our purpose is to build trust in society and solve important problems. We're a network of firms in 157 countries with more than 208,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at [www.pwc.com](#).

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About PwC's Governance Insights Center

We support you with governance knowledge to answer tough questions and tackle complex challenges. Learn from our network of subject-matter experts, business leaders, and experienced peers as they share their insights and the latest thinking on current issues. Beyond governance, we help directors and investors alike better understand new financial accounting standards so they can make better oversight and investment decisions. You can count on us to help you connect all the dots for a more complete perspective — and step ahead with confidence. For more information about PwC's Governance Insights Center, please visit <http://www.pwc.com/us/en/governance-insights-center>

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