

November 14, 2018

Brent Fields, Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

Re: File Number 4-725 SEC Staff Roundtable on the Proxy Process

Dear Mr. Fields,

The Independent Steering Committee of Broadridge (the “Steering Committee”) is writing, in connection with the November 15, 2018 Roundtable, to comment on the importance of achieving end-to-end vote confirmation of shareholder voting at all shareholder meetings.

The Steering Committee was formed in 1993 with the encouragement of the Securities and Exchange Commission’s (“SEC”) Division of Corporation Finance, to monitor Broadridge’s performance of the proxy voting process. Broadridge is the leading global provider of shareholder communications and proxy voting technologies and services. Also, the Committee’s by-laws call for it to advise and recommend ways to improve all aspects of the proxy process, from the distribution of voting materials to the tabulation of votes.

The Steering Committee members represent the four main components of the securities industry involved in the proxy process - issuers, institutional investors, custodian banks and broker-dealers. Each of the members serves on an unpaid basis, is neither a current nor former employee of Broadridge and is significantly involved in the proxy process on behalf of his or her organization.

### **Vote Confirmation**

The Steering Committee supports vote confirmation. The members believe that shareholders are entitled to receive affirmative confirmation that their shares, if voted, were counted as instructed in the final tabulation for any company meeting, including an annual meeting, a special meeting and a contested meeting. If the shareholder's shares were not counted, the shareholder should have access to this information, including the reason the shares were not counted. The Committee also believes that universal vote confirmation will strengthen the reliability and integrity of the proxy voting process.

We understand that various industry participants provide confirmation today. We also understand that industry-wide pilots have been conducted, with success, to demonstrate the viability of vote confirmation. Conclusions of the projects and pilots are expressed in the End-to-End Vote Confirmation Announcement<sup>1</sup> which was released May 2016.

However, vote confirmation is not consistently available, and voluntary participation in a

vote confirmation process by all industry participants has not happened. We recommend that the SEC take the first step towards universal vote confirmation and require all tabulators, including solicitors in the case of contested meetings, to notify any nominee or its agent within five days of receipt of voting instructions or a ballot that the tabulator cannot include with the nominee's vote. By requiring prompt notification, nominees will have the opportunity if and as necessary to reconcile discrepancies with the tabulator or solicitor prior to final vote tabulation.

## **Conclusion**

Beneficial share ownership now comprises over 85% of share ownership in U.S corporations. The continuing trend away from certificated or record ownership to book entry ownership is based on the significant advantages that book entry ownership provides, including ease and speed of stock transfer, the ability to use shares as collateral, and the ability to lend shares to other firms.

The Depository Trust Company (“DTC”), maintains the records of the share positions of its participating U.S. intermediaries and the participating intermediaries, in turn, maintain the records of their clients. Some of the participating intermediaries also maintain records of share positions of firms who are not direct participants in the DTC system. Non-U.S. intermediaries, often from Canada, also submit voting instructions. It is often the ballots submitted by these non-DTC participants that pose reconciliation problems to tabulators which are focused primarily on the share positions of direct DTC participants.

However, the tabulation process followed by Broadridge, and the recent vote reconciliation pilot programs conducted with several transfer agent tabulators, have shown that researching to establish vote entitlement of the non-DTC participants must be commenced early in the solicitation period to be successful. These pilot programs demonstrated that successful vote confirmation outcomes were achieved 100% of the time.

Vote entitlement research which leads to proper vote confirmation is not unduly difficult or complicated, but it must start early enough to allow communication between the tabulator and the appropriate intermediary.

Unfortunately, many tabulators are not undertaking the required early-stage vote reconciliation. As a result, many shareholders and corporations are still being denied vote confirmation, and the proxy process continues to attract criticism from some quarters. It is time to require prompt and appropriate early-stage vote entitlement reconciliation efforts by all tabulators.

Very truly yours,

-----/s/-----

Stephen P. Norman  
President, SP Norman & Co., LLC  
Chairman, The Independent Steering Committee of Broadridge

Members of the Independent Steering Committee, November 2018:

Amy Borrus	Council of Institutional Investors
Thomas Broderick	State Street Bank
Ray Cameron	BlackRock
Lawrence Conover	National Financial Services, LLC
Steven Dapcic	Pershing, LLC.
Michael Garland	New York City Comptrollers' Office
Stacey Geer	Primerica, Inc.
Rick E. Hansen	General Motors Company
Philip Larrieu	California State Teachers' Retirement System
Gloria Lio	Bank of New York Mellon
Mark Lyon	Synchrony Financial
Michael Marino	Credit Suisse
Granville Martin	Society for Corporate Governance
James Monahan	Morgan Stanley & Company, LLC.
William J. O'Shaughnessy	Quest Diagnostics, Incorporated
Valiere Simpson	TD Ameritrade
Joseph Swanson	Northern Trust Company

---

<sup>i</sup> <https://materials.proxyvote.com/default.aspx?docHostID=291466>