

**MEMORANDUM**

November 8, 2010

To: File No. S7-14-10 (Concept Release on the U.S. Proxy Voting System)

From: Zachary S. May  
Office of Commissioner Luis A. Aguilar

Re: Meeting with Representatives of Broadridge Financial Solutions, Inc.

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On Friday, November 5, 2010, Commissioner Luis A. Aguilar and Zachary S. May, counsel to the Commissioner, met with the following representatives of Broadridge Financial Solutions: Chuck Callan, Brian Clark, Lyell Dampeer, John Gullotta, Michelle Jackson, Bov Kalenka, Mike Mostransky, Bob Schifellite, Marvin Sims, Bruce Weissman, and Jill Whitney. During the meeting, participants discussed, among other things, the Commission's concept release on the U.S. proxy voting system.

The Broadridge representatives provided the following documents:

Slide deck: Discussion of Investor Participation

Slide deck: NYSE Proxy Fee Advisory Committee

Slide deck: Steps Taken to Ensure Vote Accuracy

Slide deck: Broadridge Technology Update (copyright material, not attached)

Report by Deloitte for Broadridge Financial Solutions Inc., Investor Communication Solutions: *Independent Accountant's Report on Applying Agreed-Upon Procedures Relating to the Company's Testing of the Accuracy of its Processes and Reporting of Voting Instructions, Three Months Ended May 31, 2010*

Report by Deloitte for Broadridge Financial Solutions Inc., Investor Communication Solutions: *Independent Accountant's Report on Applying Agreed-Upon Procedures Relating to the Company's Testing of the Compliance with Certain SEC and NYSE Proxy Rules, June 30, 2009*

Report by Deloitte for Broadridge Financial Solutions Inc., Investor Communication Solutions: *Independent Accountant's Report on Applying Agreed-Upon Procedures Relating to Measurement Criteria, December 29, 2008 – June 26, 2009*

Report by Deloitte for Broadridge Financial Solutions Inc., Investor Communication Solutions: *Independent Accountant's Report on Applying Agreed-Upon Procedures Relating to the Reporting of the Stockholder Voting Results for Registered and Beneficial Shareholders, Including the Election of Directors, January 1, 2009 – December 31, 2009*

Report by Deloitte for Broadridge Investor Communication Solutions, Inc.: *Report on Controls Placed in Operation And Tests of Operating Effectiveness Relating to Proxy Services, January 1, 2009 through December 31, 2009*



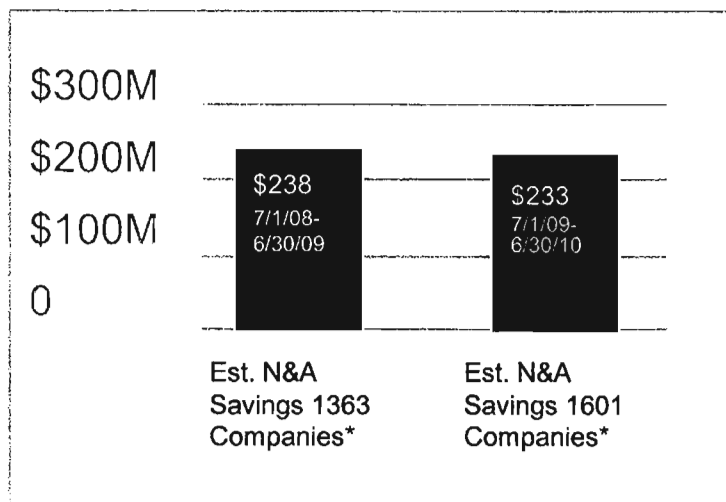
**Broadridge™**

Discussion of investor participation

November 5, 2010

Companies Realized Additional Savings on Print and Postage  
 Estimated Savings to Date for FY10 from Notice and Access: \$233 Million

**Estimated Savings to Public Companies from Use of Notice and Access with Beneficial Shareholders**



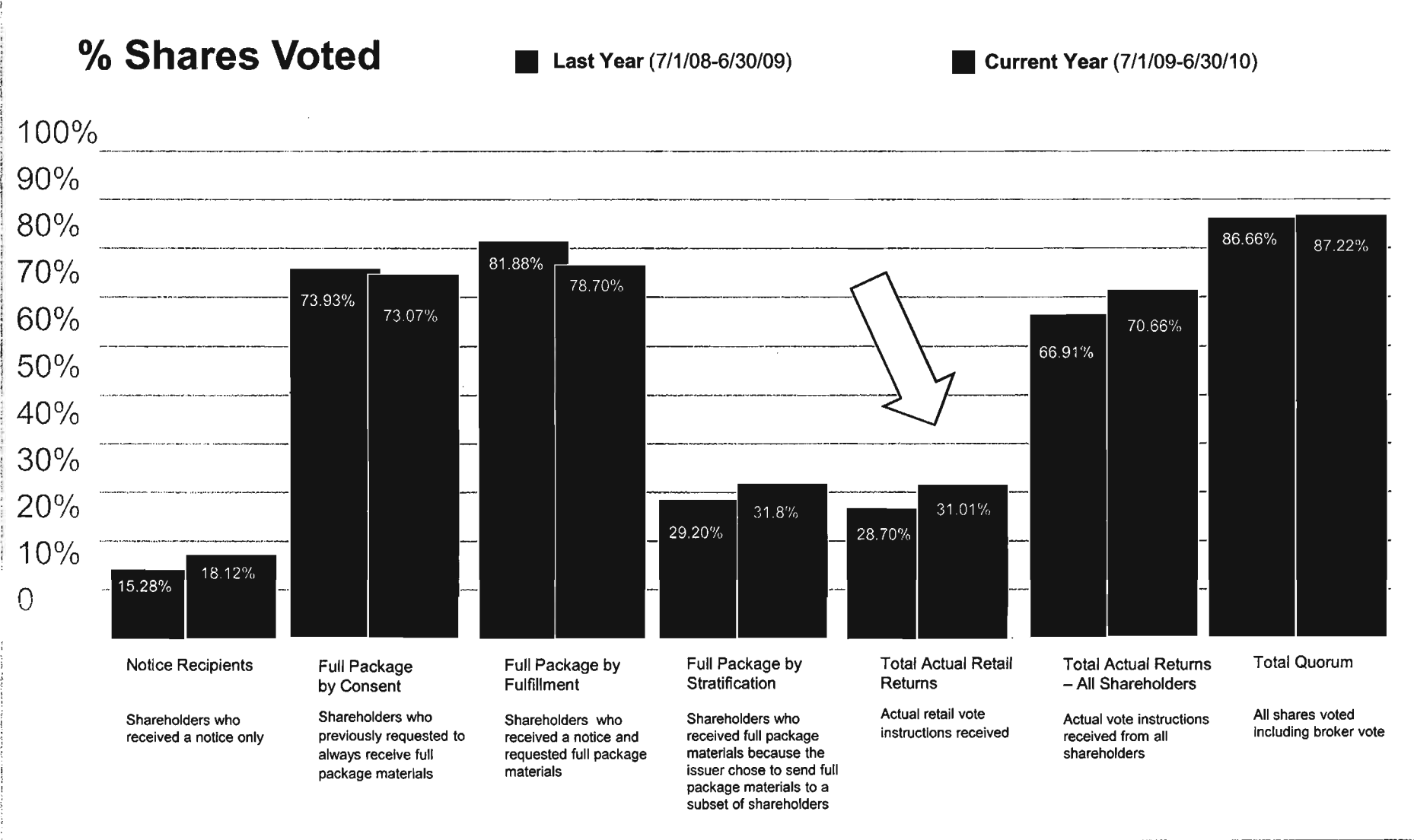
By sending a Notice instead of a full set of materials, Notice and Access provides an additional method to save on printing and postage.

\* Net of service fees

The 2010 unit savings estimate is based on information from NIRI and Broadridge internal data. It includes a median Annual Report cost of \$ 4.32 per NIRI, and an average actual postage cost per package of \$ 1.45 per Broadridge.

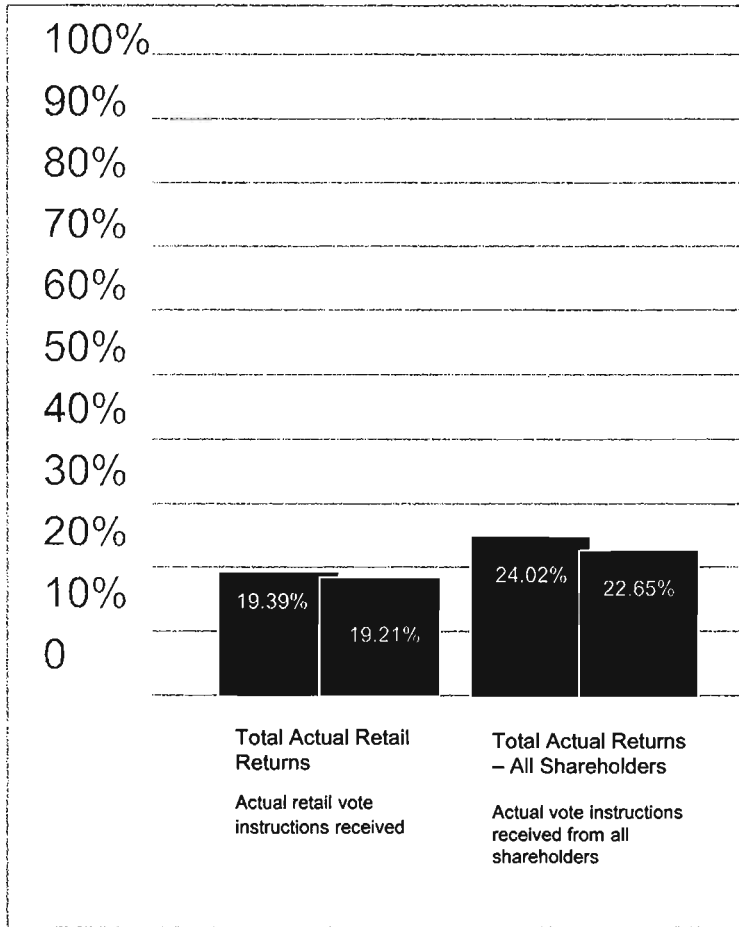
The 2009 unit savings estimate is based on comparable data from NIRI and Broadridge.

# Companies Using Notice and Access Retail Voting Response by Distribution Method by Shares

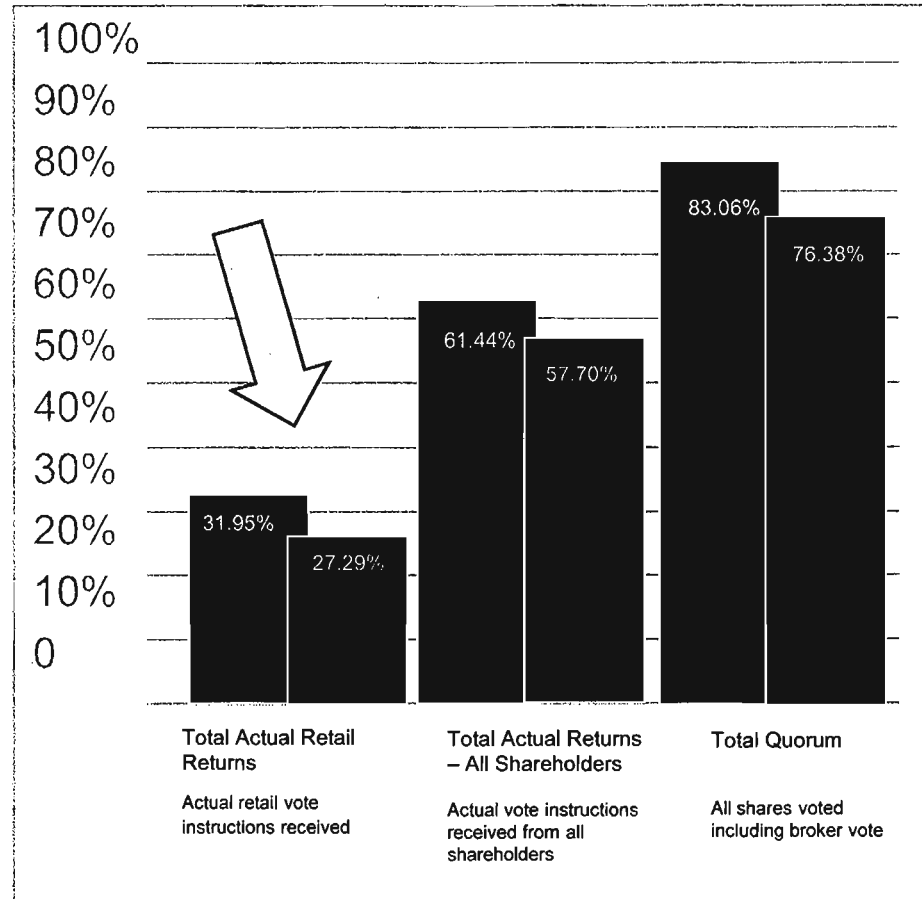


# Companies NOT Using Notice and Access Retail Voting Response

### % Accounts Voted



### % Shares Voted



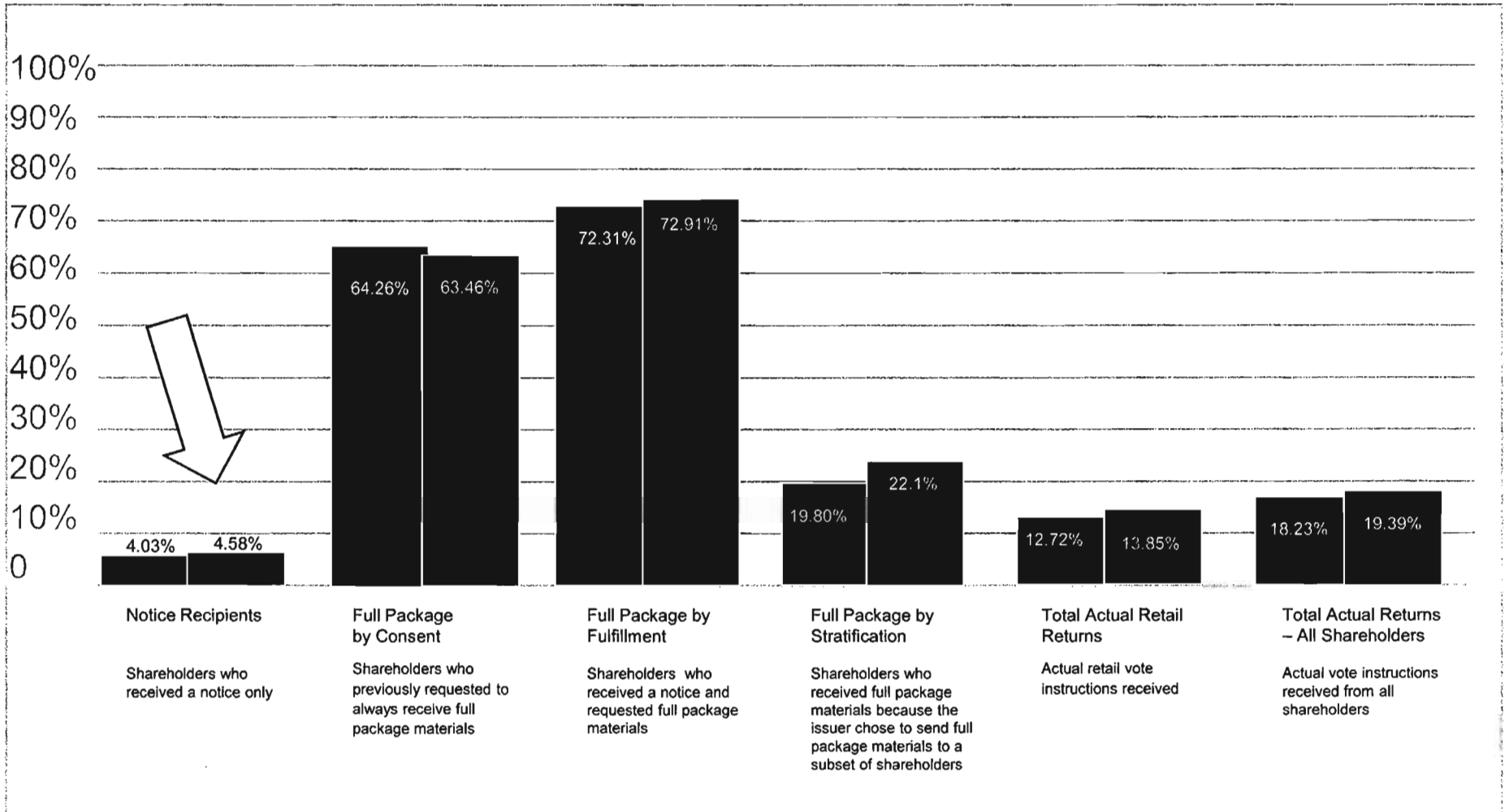
Last Year (7/1/08-6/30/09)  
 Current Year (7/1/09-6/30/10)

# Companies Using Notice and Access Retail Vote Response by Distribution Method by Accounts

## % Accounts Voted

■ Last Year (7/1/08-6/30/09)

■ Current Year (7/1/09-6/30/10)

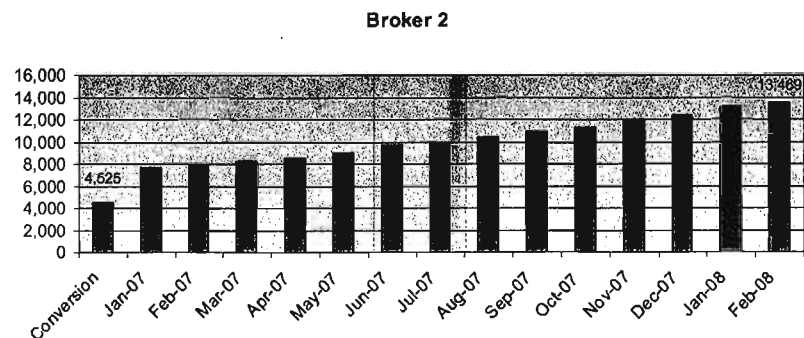
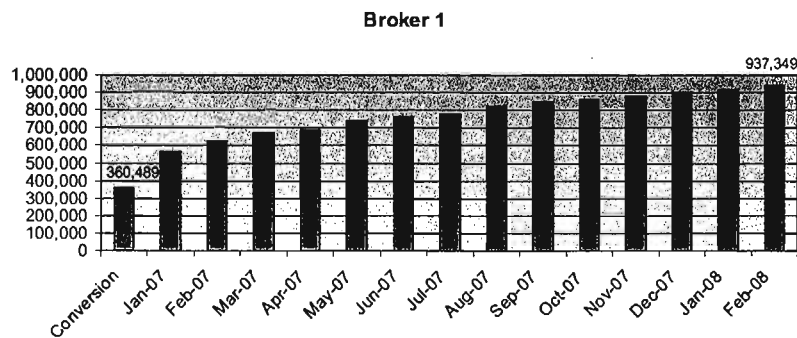


## “Fixing” Notice & Access – and Building a Path to the Future Ways to Increase Participation at Low or No Cost to Issuers (Updated)

Method	Description	Participation Increase	Status
Improved design Comprehensive site about the mechanics of proxy voting Unbiased explanation of the Notice & Access process Online participation and voting at the meeting Interactive proxy statements with links to voting Standing voting instructions for retail investors, akin to some institutional voting Private label communications portal on brokers' websites Secure, two-way communications with and among validated shareowners	Improved design	Low	Complete
	Comprehensive site about the mechanics of proxy voting	Low	Complete
	Unbiased explanation of the Notice & Access process	Low	Complete
	Online participation and voting at the meeting	Low	Complete
	Interactive proxy statements with links to voting	Medium	Draft open-source code donated to XBRL U.S.
	Standing voting instructions for retail investors, akin to some institutional voting	Medium	Discussions with interested parties
	Private label communications portal on brokers' websites	Medium	Made available to over 14 million accounts. Integrated with account preferences
	Secure, two-way communications with and among validated shareowners	High	Potential for systemic change in shareholder engagement and participation

# Investor Mailbox

- Account-specific presentation of investor communications on brokerage website.
- Regulatory and non-regulatory communications:
  - Proxy statements, linked to secure voting site
  - Interim and regulatory documents
  - Reorg notices
  - Statements, trade confirmations, tax forms
  - Prospectuses
- Currently available to over 14 million accounts. Discussions with large broker-dealers representing approximately 40 million accounts
- Does not replace current “default” distributions to shareowners. Provides an additional access portal to view shareowner material and to vote if applicable.
- An improved online value proposition. Significant increase in “consents” to e-delivery, e.g.:



## The Shareholder Forum Provides Multiple Ways to Engage Stockholders.



- View your shareowner material by choosing the option below
- Vote by choosing the option below or vote by phone at 1-800-XXX-XXXX
- Request material to be sent to you by email or hardcopy at no charge by choosing the option below
- Sign up to receive future shareholder materials via e-mail or traditional mail

### View 2009 Shareholder Material

[Proxy Statement](#)  
[Annual Report / 10-K \(pdf\)](#)  
[Annual Report / 10-K \(html\)](#)

\*Easy download and print options within these files.

### Vote

Vote Your Shares Online

[Click Here](#)

Vote Your Shares by phone: Call 1-800-xxx-xxxx

### Request Copy of Shareholder Material

Request paper delivery, email delivery,  
hardcopy or hardcopy delivery for all  
mailing dates.

[Click Here](#)

### Consent for Electronic Delivery

Sign up to receive future shareholder  
materials via email

[Click Here](#)

### Access the Virtual Shareholder Meeting

[Click Here](#)

### Visit the ABC Shareholder Forum

[Click Here](#)

**Download Adobe Acrobat** - You may need Adobe Acrobat to view the documents listed above.

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# Example of Shareholder Forum Linked to the Annual Meeting

The Investor Network™ Beta  
Where real investors connect

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Home | Stocks | Industries | Members

ABC company logo

Welcome to ABC Company's Shareholder Forum

May 12, 2008  
At ABC we strive to develop and foster greater levels of communication in everything we do. As a company focused on innovation, we believe that by applying technology and partnering with our shareholders, we can develop and maintain long term value. For this reason, we deeply appreciate the time and energy you have put into helping us shape this forum. As always, we are committed to you, our shareholders, and look forward to your comments and establishing a meaningful dialogue.

John Doe, President & Chief Executive Officer  
ABC Company

**2008 Annual Meeting of Shareholders**  
Meeting Details  
In order for us to reach a greater number of our shareholders, the 2008 ABC Company Annual Meeting will be held online over the internet.  
Location: www.abccompany.com/annualmeeting  
Date: Wednesday, May 21, 2008  
Time: 8:30 AM PST

**Submit a Pre-Meeting Question**  
If you would like to ask a question in advance of the meeting, please submit it here. We appreciate your input and look forward to hearing from you. We will do our best to address your questions during our annual meeting.

**ABC Company's Discussion Board**  
"Say on Pay": What do you think?  
Please use this discussion board as a mechanism to let your voice be heard. We invite all shareholders to submit their thoughts, opinions and questions on the topic of "say on pay". Please note that this board should not be used for any other discussion purposes.

Member	Post
invest999 # Shares: 100	I am not really concerned with say on pay as long as executive compensation is clearly and appropriately linked to company results. Other than that, let the directors and management run the business as necessary to attract and retain the best talent to grow the company.
notwise # Shares: 100	Requiring a shareholder vote on compensation—even an advisory vote—would seriously erode critical board responsibility. Because setting pay involves company goals, performance metrics and negotiated contract terms, it would be difficult to effectively subject some or all of these elements to a voting process.
hikewesalk # Shares: 100	The amount of compensation that is paid to executives is astronomical and out of hand. Shareholders should absolutely have a say in approving executive pay, and this will help keep that compensation in check especially in the face of company/industry downturns.

**ABC Company Investor Relations**  
Use these quick links to access important information for investors at www.abccompany.com

- Investor News
- Financials and Filings
- Stockholder Services
- Events Calendar
- Education Center
- Investor Alerts
- Contact ABC Company IR
- Analyst Center

**Go Green with ABC**  
Click here to register for e-delivery of your investor materials

**Survey**

- As a shareholder of ABC, what most excites you about the company?
  - Leadership in the processor space
  - Focus on R&D to advance new processors for mobile applications
  - Operational efficiency and fiscal discipline
  - Worldwide marketing and branding initiatives
  - Other, please provide
- Where do you see the greater threat for a decline in ABC stock price?
  - Competition from other chip manufacturers
  - Overall decline in the economy and consumer purchasing power
  - Higher cost associated with off-shore labor
  - A shift in focus away from our core markets
  - Other, please provide
- What do you see as the number one topic you would like IR to address?
  - New opportunities for growth including acquisition strategy, new products and services, market expansion, etc.
  - Cost containment through operational efficiency, off shoring, etc.
  - "Green" policies
  - Labor policies
  - Other, please provide

Submit Survey  
Click to view results

Issuers can proactively manage communications with validated shareholders -- in a controlled environment.

## Benefits:

- ➔ Push information out to the shareholder and/or investor community
- ➔ Links to Investor Relations website
- ➔ Give shareholders the ability to submit questions ahead of the annual meeting and year-round
- ➔ Author blogs, host "webinars", post videos, etc.

## Investor Network -- Voluntary Options the Could Be Enabled by Broker-Dealers: Examples of Capabilities for Issuers and Shareholders

- Communications on any date or dates, including but not limited to a record date
- Easy On-Ramp: Access by shareholders through their online brokerage accounts, email, and other means – consistent with current and new preferences
- Notification by “push” not simply by pull
- Pop-up reminders to vote with direct connection to a voting form -- in a separate, secure site
- Two-way communications between management, directors and validated shareholders
- Communications among validated shareholders – on virtually any topic – across brokerage firms
- Anonymity and accountability, with regard to comments made
- Discussion of views and of information found in company filings
- Links to detailed biographical information on directors, that is not included in proxy statements, with streaming video and Q&A with potential candidates
- Valid polls of actual shareholder sentiment. Detailed questions and unbiased surveys designed by third-party experts. High levels of confidence in the outcome of a poll.

The natural technological evolution of the proxy process. No “option” today for issuers to use “social” solutions through broker online facilities.

# Brokerage Firms Could Provide Street Shareholders an Opportunity to Connect Easily. Example: The Investor Network Linked to an Issuer-Sponsored Forum

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**Positions**  REFRESH PAGE Select Account

**Total Market Value**  
\$11,638

[Reinvest dividends on your positions](#)

	Quantity	Description	Symbol	Asset Type	Acct Type	Price	Value	Links
<input type="button" value="STRADE"/>	200	WALT DISNEY CO HOLDING CO	DIS	Stock	Cash	18.02	\$3604.00	<input type="button" value="Q"/> <input type="button" value="N"/> <input type="button" value="O"/>
<input type="button" value="STRADE"/>	300	ABC Company	ABC	Stock	Cash	9.11	\$2733.00	<input type="button" value="Q"/> <input type="button" value="N"/> <input checked="" type="button" value="O"/> > Vote Your Shares Now
<input type="button" value="STRADE"/>	200	XYZ Company	XYZ	Stock	Cash	12.73	\$2546.00	<input type="button" value="Q"/> <input type="button" value="N"/> <input type="button" value="O"/> > Issuer Sponsored Forum
<input type="button" value="STRADE"/>	100	Marvel Entertainment, Inc.	MVL	Stock	Cash	27.55	\$2755.00	<input type="button" value="Q"/> <input type="button" value="N"/> <input type="button" value="O"/>

Tuesday, February 24, 2009 3:50:15 PM EST

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System response and access times may vary due to market conditions, system performance, and other factors.

# Client-Directed Voting Accessing External Viewpoints

## Expanded View of External View Points (Pull-down Menu)

Routine Proposals

External View Points | ▼

Election of Directors

External View Points | ▼

Compensation Proposals

External View Points | ▼

Other Management Proposals

External View Points | ▼



**External View Points** | ▼

**Social and Environmental**  
 Firm/Organization 1  
 Firm/Organization 2  
 Firm/Organization 3  
 Firm/Organization ....

**Strong Support For Management**  
 Firm/Organization 1  
 Firm/Organization 2  
 Firm/Organization 3  
 Firm/Organization ....

**Taft Hartley Orientated**  
 Firm/Organization 1  
 Firm/Organization 2  
 Firm/Organization 3  
 Firm/Organization ....

**Public Fund Orientated**  
 Firm/Organization 1  
 Firm/Organization 2  
 Firm/Organization 3  
 Firm/Organization ....

**Faith-Based Orientated**  
 Firm/Organization 1  
 Firm/Organization 2  
 Firm/Organization 3  
 Firm/Organization ....



**Firm/Organization 1**

***Voting Guidelines Summary***

Summary

Routine Proposals

Election of Directors

Compensation Proposals

Other Management Proposals

Shareholder Proposals



**Broadridge™**

NYSE Proxy for Advisory Committee

November 2, 2010

## Agenda

- Broadridge Is a Technology & Outsourcing Services Provider.
- Benefits of the Current System: Straight-through Processing Efficiencies Are Not Easily Unbundled.
- Principles for Review of Fees. “Excellence” Is the New Baseline.
- NYSE Fees Have Decreased Over Time. By Many Measures, Fees Have Not Kept Up with Greater Demands for Performance.
- Broadridge Estimates that Over \$1 Billion Is Invested in Systems & Technologies. Replicating this Capability Would Be Very Costly.
- Beneficial Processing Is Highly Efficient for Issuers. Analysis by Compass Lexecon
- Broadridge Drives Solutions Beyond Current Regulatory Requirements.
- Examples of Beneficial Functionality Not Provided by Registered Shareholder Processes. The Devil Is in the Details.
- Registered Processing Adds Fees Not Charged by Beneficial Servicing. Examples from Transfer Agent Invoices
- Managed Account Processing: Voting for Retail Shares Is at Institutional Levels of Participation.
- Appendix – Independent Steering Committee Measurement Criteria, and Other Information



## Broadridge Is a Technology & Outsourcing Services Provider.

- Broadridge's services are provided on an arms-length, fee-for-service basis to custodian banks and broker-dealers (for beneficial shareholders) and to issuers (for registered shareholders).
- Broadridge's services include invoice processing. On average, an issuer's beneficial shareholders hold shares in approximately 110 banks and brokers. Broadridge consolidates the fees that banks and brokers can charge under NYSE rules into a single invoice. In addition, Broadridge consolidates an issuer's requests for materials, vote reporting, and numerous other functions – and, as a result, saves issuers the added expense of paying solicitors to consolidate information.
- Broadridge also provides services for registered shareholder communications; these are negotiated directly with corporate issuers. In the past year, over 1,600 issuers selected Broadridge as their servicing agent.
- Certain NYSE rates for beneficial proxy apply directly to third-party service providers, e.g., nominee coordination and intermediary fees.
- Postage is passed through and discounts are shared with issuers.
- The total costs of beneficial shareholder servicing include costs incurred by banks and brokers. Margins for proxy servicing are low in comparison to some other areas of outsourcing.
- Based on an analysis by Gartner Group, Broadridge is more efficient than its peer group (consisting of providers of technology services for the financial industry). Significant resources must be devoted to supporting all participants in the proxy process, to proactively developing new functionality (i.e., new requirements and new regulations), and to many other functions unique to the proxy landscape.

## Benefits of the Current System

### Straight-Through Processing Efficiencies Are Not Easily Unbundled.

Faster, more reliable,  
lower cost means to  
achieve quorum

- Broadridge's **proprietary processes allow for rapid solicitation and communication to shareholders**, including to OBOs. Approximately 70% of shares distributed electronically within one day.
- Broadridge's **proprietary systems identify and eliminate system-wide duplications**, vastly **reducing print and postage costs** for issuers (over 54% of physical mailings eliminated)
- *Any changes to the system must address how current cost effectiveness can be maintained.*

Higher, more predictable  
proxy voter  
participation

- Both retail and institutional investors have a **consistent, efficient process for voting**
- The system allows **multiple choices of voting method for investors**
- The system's **operation on Broadridge's e-platform** allows **quick and accurate integration of results** across all methods of voting (issuer access to voting 24/7 throughout process)
- Voting participation, including retail, is higher on the beneficial side than it is on the registered side.
- *Any changes to the system must continue to deliver at least current levels of participation for issuers' most important votes.*

Assurance of accuracy  
and integrity of the  
process

- The proxy communication and voting process is **safeguarded by a neutral third party**
- All stakeholders have **high levels of trust in the system accuracy** with standardized audits of voting by Big 4 audit firm (>50k shares = 100% accuracy; <50k shares 99.8% accuracy), in full compliance with both SAS 70 and regulations; ISO 27001:2005, ISO 9001:2000
- *Any changes to the system must address how system integrity can be fully ensured.*

Responsiveness and  
flexibility to  
accommodate  
evolutionary change  
to the proxy system

- The current proxy communication and voting process carefully **balances the needs** of investors, issuers, and other stakeholders with the **cost of fully meeting these needs**
- **Broadridge's central role** allows the system to **adapt to multiple regulatory requirements** (corporate law, state law, SRO requirements, federal requirements, etc.) and to **adapt quickly to changes (e.g. Notice and Access, Say When on Pay, Proxy Access)**
- *Any changes to the system must be able to accommodate ongoing system evolution.*



## Principles for Review of Fees “Excellence” Is the New Baseline.

- As a general principle, changes in service levels should be accompanied by changes in fees.
  - For example, a change in the timing or frequency of vote status reporting could result, for issuers, in additional expense spent on solicitors.
- As corporate governance has become more important, participants have come to expect levels of performance and continuous improvement that go well beyond current requirements of the proxy rules (where specified). For example:
  - Distribution of proxy materials is more timely than regulations require.
  - Voting is updated more frequently than regulations require.
  - Issuers require services outside of normal business hours.
  - Investors can utilize technologies provided on a 24 x 7 basis.
- As a practical matter, the proxy process cannot be permitted to fail.
- The system must engender high levels of trust – votes must be accurately tabulated and reported.
- The system must evolve with a changing regulatory landscape; that is, it must enable and support changes in a timely fashion, without disruption.



## **NYSE Fees Have Decreased Over Time. By Many Measures, Fees Have Not Kept Up with Greater Demands for Performance.**

- **On an inflation-adjusted basis, NYSE fees have decreased significantly since they were last adjusted. The unit fee has declined by over 18% in the past eight years. Other fees have declined by over 27% since 1997.**
- **NYSE fee is lower than comparable, un-regulated fees for registered proxy services – notwithstanding the far greater complexity required of beneficial shareholder processing and technology.**
  - On average, the per unit fee for a beneficial proxy delivery is lower than it is for a registered proxy delivery.
  - Considering the costs of printing & postage, as well as processing fees, the per unit cost to issuers for delivery of a beneficial proxy is significantly lower than it is for a registered proxy.
  - For a majority of companies (that are small- and mid-cap) the differences in both fees and costs are substantial.
- **Registered proxy services often involve numerous “extra” fees, minimums, and markups.** For example, the fee issuers are charged by transfer agents -- for simply passing a list of registered shareholders -- can be as much or greater than the NYSE unit fee which includes numerous additional functions necessary to process beneficial shareholders.
- **Performance expectations exceed rule standards.** Participants expect high performance; additional functionality, and many conveniences afforded by Broadridge's systems and processing.
  - Criteria established by an independent steering committee reflect expectations for performance that exceed those of applicable NYSE and SEC regulations. (Refer to Appendix)
- **As corporate governance has become more important, participant demands have become greater and more complex.**
  - The “plumbing,” as a whole, has benefited from Broadridge's commitment to investments in technology and service operations necessary to effectively support evolving needs.
  - Issuers are afforded numerous value-added services at no fee.
- **NYSE fees do not reflect the costs of major new regulations or guidance, e.g.:**
  - Proportional voting was implemented by Broadridge at the request of the NYSE.
  - Say When on Pay; Proxy Access.

## **Broadridge Estimates that Over \$1 Billion Is Invested in the Past Decade in Systems & Technologies. Replicating this Capability Would Be Very Costly.**

### **As a result, every issuer, large and small, is afforded a state-of-the-art technology infrastructure.**

- The infrastructure is rated "Tier IV," the highest category in the Uptime Institute's Tier Classification System, meaning that the systems are available at least 99.995% of the time in a given year.
- The infrastructure utilizes two fully-redundant data centers and operates to a disaster recovery objective of less than two hours from the time an event is declared – recovery within two hours (to a point within two minutes ) of a disaster.
- One of the first organizations to migrate towards an operating model that satisfies the Federal Reserve's white paper on resilience in financial markets.
- Each year, the results of disaster recovery and volume testing are reviewed with the SEC.

### **Every participant – including custodian banks, broker-dealers, institutional investors, and individual investors, as well as large and small corporate issuers – is also afforded state-of-the-art information security.**

- The Information Security Management Program contains a number of elements, including:
  - Data Loss Prevention
  - Denial of Service Defense
  - Vulnerability Management and Intrusion Detection - to meet compliance standards contained in: Sarbanes Oxley Section 404; Federal Financial Institutions Examination Council for Suspicious Activity Reporting; ISO 27001-27005; Financial Modernization Act of 1999 (Gramm-Leach-Bliley); Payment Card Industry Data Security Standard (PCI-DSS); HIPAA, and other areas
  - Encryption; Incident Response; Security Software Development Lifecycle Management; and, Security Information Event Management.
- Broadridge's information management processes are audited annually by Deloitte & Touche, as part of a SAS 70 Type II Review, and they are ISO certified (including ISO 27001, which fewer than seventy-five U.S. firms have). The infrastructure provides over 34,000 online MIPS (with over 18,000 MIPS in reserve) and contains over 750,000 function points.

**These capabilities require a substantial, ongoing commitment of time and capital. As a result, issuers realize hundreds of millions of dollars in efficiency savings, and voting participation is high.**

## Beneficial Processing Is Highly Efficient for Issuers. Analysis by Compass Lexecon<sup>1</sup>

### **“In General, Issuers Pay Less for a Beneficial Proxy Delivery than They Do for a Registered Proxy Delivery.”**

- One way of evaluating the efficiency of regulated rates for beneficial processing is to compare them to unregulated rates for registered processing.
- Processing Fees: on average, the fee for a beneficial proxy delivery is less than the fee for a registered proxy delivery.
  - For Non-Notice & Access users, the fee is \$0.89 lower per shareholder.
  - For Notice & Access users, the fee is \$0.42 lower per shareholder.
- Issuers' Communications Costs: considering the estimated costs of printing and postage, as well as processing fees – issuers pay less, on average, for a beneficial proxy delivery than they do for a registered proxy delivery.
  - For Non-Notice & Access users, the cost is \$2.34 lower per shareholder.
  - For Notice & Access users, the cost is \$0.56 lower per shareholder.
- The differences are significant for issuers that have fewer than 5,000 beneficial shareholders.
  - Processing Fees: for Non-Notice & Access users, the fee is \$6.14 lower for a beneficial shareholder delivery.
  - Issuers' Communications Costs: for Non-Notice & Access users, the cost is \$6.42 lower for a beneficial shareholder delivery.

### **“Broadridge’s Services Provide Benefits to Issuers, Nominees, and Shareholders.”**

- Without a central repository of information, like the one that is provided by Broadridge, each corporate issuer would need to interact with hundreds of nominees at a cost that is greater than the \$20/nominee fee that issuers currently pay.
- The benefits to issuers from “suppression” technologies result in lower printing and mailing costs, and far exceed fees paid.
- Without a standardized voting platform, shareholders would be forced to deal with a variety of voting platforms. This additional complexity could increase the cost to shareholders of corporate voting and reduce participation.
- “A nominee has an incentive to contract with Broadridge only if Broadridge can provide services at a higher quality or a lower cost.”

### **“The SCC [Shareholder Communications Coalition] ‘Proxy Process Reform Plan’ Is Flawed and Economically Incoherent.”<sup>1</sup>**

- The plan includes a regulated, non-profit data aggregator; whose goals are “apparently inconsistent.”
- The plan would reduce the benefits of vertical integration and, therefore, result in higher costs for issuers, nominees, and shareholders.

<sup>(1)</sup> Compass Lexecon Report, May 11, 2010, “An Analysis of Beneficial Proxy Delivery Services.”

## Broadridge Drives Solutions Beyond Current Regulatory Requirements.

### Speed of Communication

- Broadridge makes it possible for issuers to **communicate quickly and easily with shareholders**, even OBOs (paper averages 2 days; electronic within 24 hours of receipt of information from issuers)
- *Current regulation requires nominees to facilitate communications in 5 days*

### Regular vote report and vote status

- Broadridge's integrated voting platform gives issuers **interim updates on voter participation**, and **facilitates targeting of vote solicitations**
- *Current regulation requires only end-of-process reporting*

### Audits

- Broadridge's integrated platform covers the **vast majority of positions** for almost all issuers, **simplifying auditing**, and **preventing over reporting**
- *Current regulation requires only basic levels of auditing*

### Multiple, integrated voting methods available 24x7

- Broadridge's provision of multiple choices of voting method **increases participation**
- *Current regulation does not require that nominees offer anything beyond paper and mail voting, nor that they identify and eliminate duplicate mailings*

### Innovative solutions for shareholder communication

- **With input from the market, new technologies** are continuously being explored **as options** for participants, including:
  - Client-directed voting
  - Virtual shareholder meetings
  - Shareholder forums
  - Investor Mailbox®
  - Vote confirmation

## Examples of Beneficial Functionality Not Provided by Registered Shareholder Processes. The Devil Is in the Details.

- Fiscal Year End Profile Distribution to 12,000+ Issuers
  - Search Card Notification Processing
  - Ad Hoc Request for Material Estimates
  - Consolidated Search and Proxy Record Date Shareowner Positions Material Requirements Request to Nominee/Clients (across 900+ nominees)
  - Provide Nominee/Client with Report Confirming Total Positions and Shares Transmitted for Each CUSIP (across 900+ nominees)
  - Rule All Proposals (Based on NYSE)
  - Assignment of Proposal Code
  - Addition and/or Deletion of Record Date Beneficial Owner Name and Address Information
  - Vote Reporting by Nominees
    - 15/10 Days; 9 Days Before Meeting Through Day of Meeting
    - 2 Vote Reports Day Before Meeting
    - Day of Meeting Votes (often 3 reports)
    - Pending Votes
  - Electronic Voting Transmission to Solicitors and Transfer Agents
  - Vote Inquiries (Banks, Brokers and Institutions Not Voted)
  - Consolidated Voting Across Nominees
  - Confidentiality of Client Beneficial Shareowner Data
  - Exception Processing
  - Co-Trustee Processing
  - Internet and Telephone Votes for 12,000+ Issuer meetings
  - Interactive Voice Response System
- Internet distribution for 12,000+ Issuers
  - ProxyEdge® for 3,500+ Institutional Investors
  - DTC Over-Reporting Prevention Service
  - Vote Confirmation Reporting
  - Advanced Record Date Notification
  - Meetings with Dissenters Rights Reporting
  - Non-Mailed Accounts as of First Issued Vote Reporting
  - Closed Meeting Report
  - Bank, Broker Confirmation of Mailing
  - Bank, Broker Vote Confirmation Summary
  - Disaster Recovery
  - Affidavit of Compliance (Self-Reporting Mechanism Between ADP and its Clients as Required by NYSE)
  - Annual Procedural Audit Report as Required by NYSE
  - Quarterly audit by big 4 firm attesting to voting accuracy
  - Weekly Measurement Criteria
  - Vote Statistical Audit
  - ISO 9002 Certification
  - Consolidated Invoicing (Across 900+ Nominees)
  - Building and Maintenance of Householding Database (Across 900+ Nominees)
  - Building and Maintenance of Email Database (Across 900+ Nominees)
  - Funding of Postage Expense on Behalf of Issuer
  - Maintenance of Records for 7 Years
  - Maintenance and printing of broker and correspondent logos
  - ICS online – 24/7 portal containing specific issuer information on mailing and other databases as well as voting results.

## Registered Processing Adds Fees Not Charged by Beneficial Servicing. Examples from Transfer Agent Invoices

Functions and Services	Registered Fees	Beneficial Fees
Proxy Card Imaging Setup	\$250	No charge
Same Day Rush Charges	\$0.12/unit (min \$100)	No charge
Next Day Rush Charges	\$0.08/unit	No charge
Monthly Storage	\$50+	No charge
Misc Charges for Stationery, Telephone Calls, Mailing Insurance, etc.	\$100+	No charge
Electronic Distribution Set-Up Fee	\$1,500 minimum	No charge
Electronic Voting Site Admin Fee	\$2,000 minimum	No charge
Telephone Voting Set-Up Fee	\$1,000 minimum	No charge
P.O. Box Rental	\$310 per issuer	No charge, reuse for all issuers
Annual Meeting Instructions Rec'd. from BR	\$315 per issuer	No charge (BR charges \$15k/TA per year)
Other Set-Up Charges	\$1,500	No charge
Copies	\$0.50/unit	No charge

Issuers often incur charges from their transfer agent for simply passing a list of registered shareholders. Such fees alone can be as much as, or even more than, the NYSE unit fee for beneficial shareholder processing. Examples: \$0.50 per position with a minimum of \$500. (The fee is \$0.25 per position for passing the list to service providers other than Broadridge.); “Fees for Transferring Registered Data File to Broadridge:” \$0.50 per position to a maximum of \$10,000; fee of \$3,000 for “external request for file.”



## Managed Account Processing Voting for Retail Shares Is at Institutional Levels of Participation.

- Nominees are required to distribute proxy materials to each shareholder in a managed account unless the beneficial owner has instructed the nominee in writing to send such materials to the beneficial owner's designated investment manager.
- The work necessary to suppress mailings of positions held in managed accounts involves daily, ongoing processing and ongoing expense; that is to say, it does not happen as a consequence of simply opening an account. The work occurs across virtually all brokers.
- We estimate issuers saved over \$240 million on printing and postage, an amount that is orders of magnitude greater than the incentive fees paid.
- **Issuers benefit from having a greater number of shares voted.**



## Appendix

**Performance Expectations Exceed Rule Standards (Where Specified).  
Steering Committee Measurement Criteria Reflect the “Excellence” Demanded of Participants.**

<b>Performance Criteria (Examples)</b>	<b>Rules</b>	<b>Steering Committee “Excellent” Rating</b>
Generate Materials Request	7 business days	> 95% within 4 business days; balance within 7 days
Physical Distribution of VIFs	5 business days	> 85% within 3 business days; balance within 5 days
Electronic Distribution (ProxyEdge and other)	5 business days	100% within 24 hours
Handling of Material Shortages	n.a.	> 95% within 2 business days
Tabulation of Physical Votes	n.a.	<ul style="list-style-type: none"> <li>• &gt; 90% within 3 business days for VIFs of &lt; 50k shares (and meeting date &gt; 19 days); within 2 business days if meeting is 6 to 18 days</li> <li>• Same day for VIFs &gt; 50k shares</li> <li>• Same day if meeting is within 5 business days</li> </ul>
Tabulation of E-Votes	n.a.	> 98% same day
Fulfillment of Materials Requests	3 business days	85% within 1 business day; balance within 3 business days
Vote Reporting	n.a.	100% by 7 a.m. at day 15, 10, 9... 1. Minimum of two reports on meeting day.

**Steering Committee utilizes an eight-point rating scale: “Excellent” = 8; “Acceptable” = 4. Performance is measured each week. Deloitte & Touche reports on an annual basis. Overall Average Rating for the 2010 proxy season was 7.99.**

**NOTE: Steering Committee was formed in 1993 at the request of the SEC.**

## Accuracy

- Broadridge's systems have helped achieve goals of vote accuracy and process integrity, and have been consistently found to be reliable by various independent parties.
- Broadridge's systems and processes undergo extensive testing and regular review.
  - Tested and reported on regularly by internationally-recognized independent public accounting firms.
  - Over the past fourteen years, numerous reports and attestations have been provided on:
    - Vote Accuracy
    - Compliance with Regulatory Requirements
    - Performance on Measurement Criteria Established and Monitored by an Independent Steering Committee
    - SAS 70 Type II Audit
    - ISO 27001 and 9001 Certified
    - Tabulation of Beneficial and Registered Shareholder Voting (new)
- Facts and statistics are regularly reported to issuers, clients, and interested parties
- End-to-end vote confirmation is provided to over 3,500 institutional investors using ProxyEdge (when Broadridge serves as the tabulator of the combined street and registered vote).

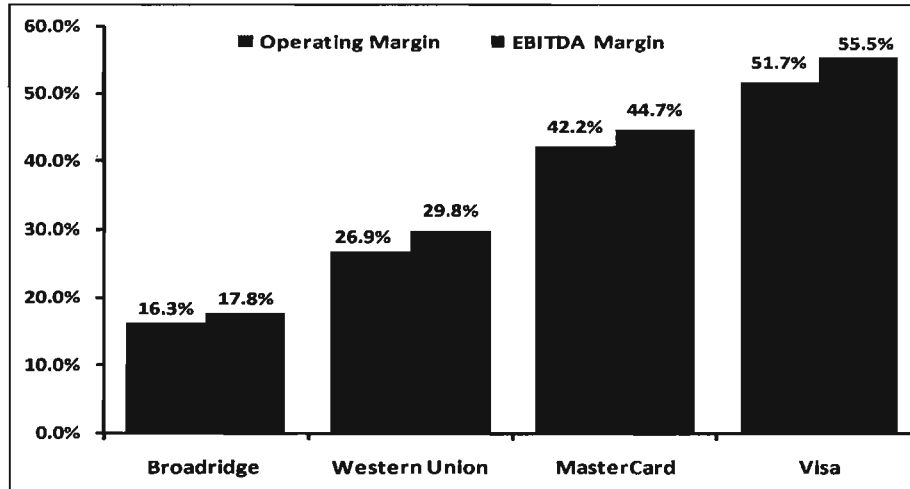


## Participation

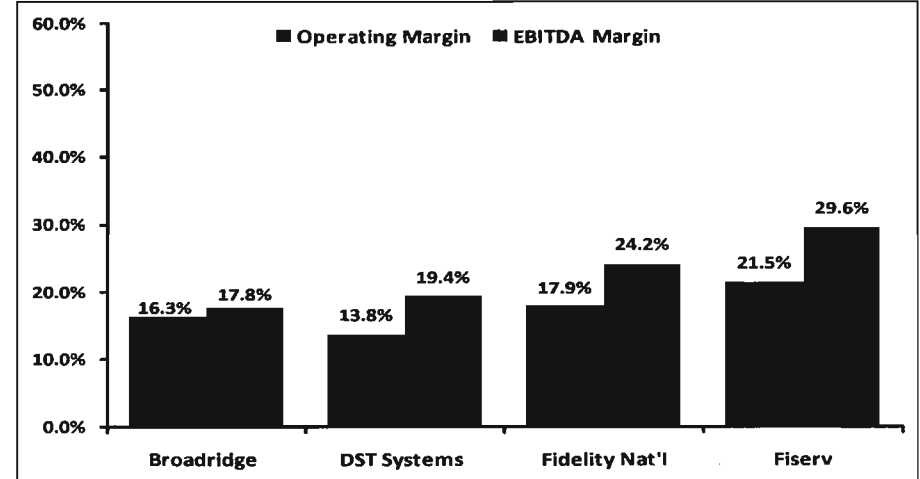
- On average, quorum was 83.4% in the 2010 proxy season.
- Of the shares processed and voted through Broadridge, 93% were voted electronically.
- In calendar year 2009, institution OBOs voted 88% of their shares.
- Although the rate of participation by retail shareholders is a concern, retail beneficial shareholders vote at higher rates than do retail registered shareholders.

# Margins for Proxy Outsourcing Are Generally Lower. Illustrative Benchmarks – Non-Proxy Outsourcers and Other Firms

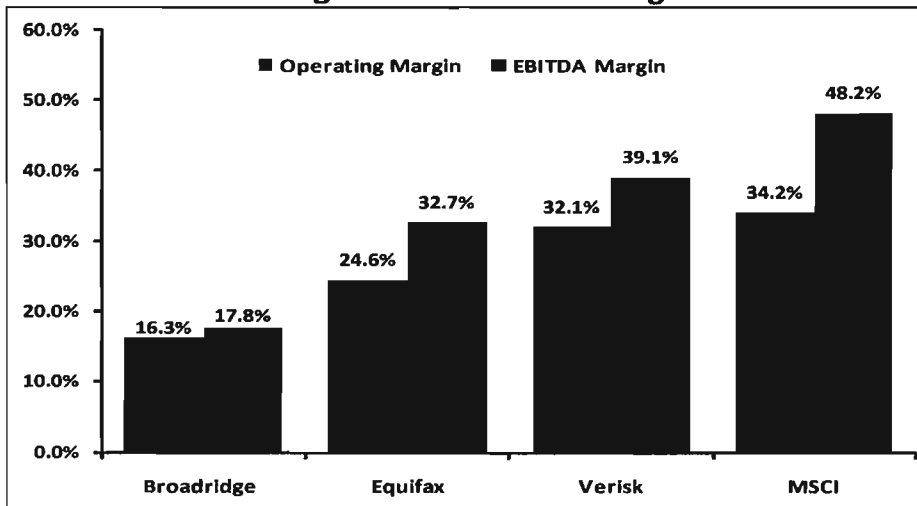
**Broadridge vs. Processing Network Firms**



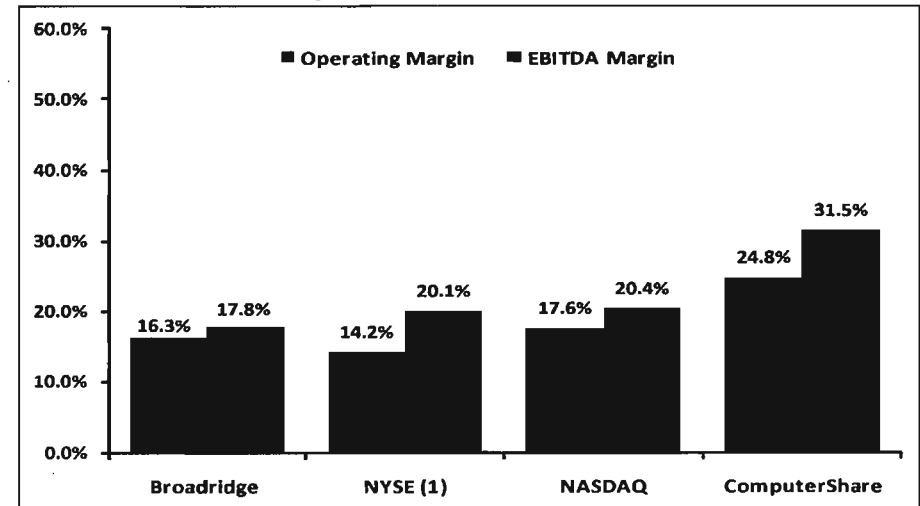
**Broadridge vs. Financial Processing Firms**



**Broadridge vs. Other Processing Firms**



**Broadridge vs. Proxy Constituent Firms**



**Notes:**

Average margin based on financial information from most recent two fiscal years

Operating margin is defined as earnings before interest and taxes

Source of financial information is publicly disclosed annual reports and sell-side analyst research reports

(1) Average margin based on financial results for last two fiscal years with positive operating profit – 2009 and 2007



**Broadridge™**

## **Steps Taken to Ensure Vote Accuracy**

# Vote Audit Process

- **A comprehensive Vote Audit process is in place to insure accurate voting**
- **Vote Instructions received via physical Vote Instruction Form are verified as follows:**
  - All vote instructions for 50,000 shares and greater are pulled and verified
  - A sampling of vote instructions for less than 50,000 shares are pulled and verified
  - A sample is taken from each vote update and verified
  - Reconciliation between vote processing logs and mainframe is undertaken to ensure all paper ballots have been processed

# Vote Audit Process

- **Vote Instructions received via Telephone and Internet are verified as follows:**
  - Process and verify between 50 and 90 votes daily using all telephone voting numbers and internet sites available on a rotating basis insuring accuracy and accessibility
  - Ensure that all telephone and internet votes have been processed by reconciling input logs to mainframe processing reports
  - Verify all votes 50,000 shares and greater to source logs

# Vote Audit Process

- **Vote Instructions received from nominees through ICSONline are verified as follows:**

- Process and verify votes daily for a minimum of six clients
- Ensure that all ICSONline votes have been processed by reconciling input logs to mainframe processing reports
- Verify all votes 50,000 shares and greater to source logs

**Vote instructions received via ProxyEdge and the Consolidated Data Feed are verified as follows:**

- From sources files verify daily that 40-60 ProxyEdge and 40-60 Consolidated Data Feed Votes are processed correctly.
- Ensure that all ProxyEdge and Consolidated Data Feed votes have updated the mainframe by reconciling vote logs to mainframe processing records
- Independent review of all voting prior to release of Proxy Edge on a nightly basis
- Verify all votes 50,000 shares and greater to source logs

*Review Risk  
Voted  
Approved*

# External Audits

- Audits by a “Big Four” firm with reports issued:
  - Quarterly on Vote Accuracy.
  - Annual report on compliance with Applicable NYSE/SEC Regulations
  - Performance Related to **Independent** Steering Committee Measurement Criteria (measured weekly).
  - SAS 70 Type 2 unqualified opinion related to the design, implementation, suitability and operating effectiveness of controls over the proxy process including, but not limited to, voting.
  - Shareholder Voting Results for Registered and Beneficial Shareholders.

# External Audits

- Audits by a “Big Four” firm with reports issued:
  - Quarterly on Vote Accuracy
    - The Independent Accountants’ Report on Applying Agreed-Upon Procedures Relating to the Company’s Testing of the Accuracy of its Processing of Voting Instructions is conducted quarterly by Deloitte and Touche.
    - For ballots of 50,000 shares or greater, all votes are audited internally as well as by an external independent auditor via random testing.
      - The external auditors have a 100% confidence level that the accuracy level of Broadridge’s votes, in this category, is 100%.
    - Vote transactions under the 50,000 threshold are audited internally via random testing, utilizing a statistical sampling method.
      - The external auditors have a 99% confidence level that the accuracy rate of Broadridge’s votes, in this category, is at least 99.8%.

# External Audits

- Audits by a “Big Four” firm with reports issued:
  - Annual report on compliance with Applicable NYSE/SEC Regulations
    - The Independent Accountants’ Report on Applying Agreed-Upon Procedures Relating to Testing of Compliance with Certain SEC and NYSE Proxy Rules is conducted annually by Deloitte and Touche and evaluates Broadridge’s compliance with SEC and NYSE proxy rules.

# External Audits

- Audits by a “Big Four” firm with reports issued:
  - Performance Related to **Independent** Steering Committee Measurement Criteria (measured weekly)
    - The Independent Accountants’ Report on Applying Agreed-Upon Procedures Relating to Measurement Criteria provides a weekly measurement of Broadridge performance in areas of shareholder communications and processing.
    - Deloitte and Touche performs an agreed upon procedures review of the results of the Measurement Criteria.

## External Audits

- Audits by a “Big Four” firm with reports issued:
  - SAS 70 Type 2 unqualified opinion related to the design, implementation, suitability and operating effectiveness of controls over the proxy process including, but not limited to, voting
    - The SAS 70, conducted by Deloitte and Touche on an annual basis, is a Report on Controls Placed in Operation and Tests of Operating Effectiveness Relating to Investor Communication Services (ICS) and Global Proxy. Deloitte and Touche examines ICS’s controls relating to registered and beneficial proxy services, interim and reorganization processing and the Proxy Plus general computer controls.
    - This Type II report not only includes Broadridge’s description of controls, but also includes detailed testing of the controls over a 12 month period (January 1, 2009-December 31, 2009).

# External Audits

- Audits by a “Big Four” firm with reports issued:
  - Shareholder Voting Results for Registered and Beneficial Shareholders
    - The independent auditor’s report aids the independent steering committee in evaluating Broadridge’s reporting of shareholder voting results that are presented to the Inspector of Elections and to the corporate issuer. This report covers issuers where Broadridge processed both the beneficial and the registered portion of the annual meeting and acted as tabulator.
    - This new report, initiated in 2010, compares accuracy of vote instructions received and processed to results in the reports of Inspectors of Elections.

***BROADRIDGE FINANCIAL SOLUTIONS, INC.  
INVESTOR COMMUNICATION SOLUTIONS***

***Independent Accountants' Report on Applying  
Agreed-Upon Procedures Relating  
to the Company's Testing of the Accuracy of its  
Processing and Reporting of Voting Instructions***

***Three Months Ended May 31, 2010***

**NOTICE:** You and your company have obtained this agreed-upon procedures report relating to the assessment of the reporting of the results of certain testing performed by Broadridge Financial Solutions, Inc., Investor Communication Solutions' Vote Audit and Control Department (this "Agreed-upon Procedures Report") as your company is an Existing Customer (as defined below) of Broadridge Financial Solutions, Inc. ("the Company"). This Agreed-upon Procedures Report is intended only to be used by members of management of the Company; a member of the Steering Committee; or a bank, brokerage, institutional investor, or corporate issuer user groups who are represented by the Steering Committee ("Existing Customers"), as stated in the independent accountants' report on applying agreed-upon procedures contained in this Agreed-upon Procedures Report, (collectively "Permitted Users"). Deloitte & Touche LLP ("Deloitte & Touche"), the entity that issued the independent accountants' report on applying agreed-upon procedures contained in this Agreed-upon Procedures Report, and its subcontractors, and their respective personnel shall have no liability, duties, responsibilities or other obligations to any prospective customers of the Company who may obtain this Agreed-upon Procedures Report, including, without limitation, in connection with any Permitted User's contemplation of contracting for services with the Company.

Deloitte & Touche, its subcontractors and their respective personnel have no responsibility for the Company's design and operation of effective internal control (including, without limitation, effective internal control over the Company's assessment of the reporting of the results of certain testing performed by the Company's Vote Audit and Control Department) or for the Company's compliance with all applicable laws and regulations. Nor does Deloitte & Touche, its subcontractors and their respective personnel have any obligation to advise or consult with any entity regarding their use of this Agreed-upon Procedures Report. Any use of this Agreed-upon Procedures Report by a party other than a Permitted User ("Other User") is at the sole and exclusive risk of such Other User. This Agreed-upon Procedures Report is not to be further disclosed, distributed, quoted, or referenced to any third party or included or incorporated by reference in any other document, including any securities filings.

Our performance of the agreed-upon procedures, which was done for the purpose set forth in the first paragraph of this section of the letter, was not for the expression of an opinion on internal control. Accordingly, our report will not satisfy any regulatory, contractual, or other requirements for a report on internal control. Furthermore, our engagement was not designed to disclose defalcations or other similar irregularities should there be any. The procedures performed by the Vote Audit and Control Department on the vote processing apply only to the Company's performance and do not apply to the performance and/or responsiveness of subscribers, corporate issuers, or others involved in the proxy voting process. Accordingly, our procedures were limited to the operating system and related controls and procedures of the Company and did not extend to external procedures performed by subscribers, corporate issuers and others involved in the proxy voting process. If additional procedures or an examination of the Company's internal control structure had been performed, other matters might have come to our attention that would have been reported to you.

### **Procedures and Findings**

As a result of the performance of the agreed-upon procedures for the three months ended May 31, 2010, as outlined in *Exhibit 1* to the Engagement Letter (included herein), no exceptions were noted with respect to the procedures performed by us on the results of testing performed by the Company's Vote Audit and Control Department with regards to its processing of voting instructions and reporting of voting instructions during the respective months. The Company's results on such testing are attached as *Exhibit 1* to this report.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on Broadridge's Testing of the Accuracy of its Vote Processing and Vote Reporting of Voting Instructions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte + Touche LLP

October 12, 2010

**EXHIBIT I**



**REPORT ON TESTING OF THE ACCURACY OF VOTE PROCESSING  
OF VOTING INSTRUCTIONS WHICH WERE PROCESSED  
DURING THE THREE MONTHS ENDED MAY 31, 2010**

The management of Broadridge Investor Communication Solutions (“Broadridge” or the “Company”) has established a standard for its vote processing, which requires Broadridge to perform sufficient testing to achieve a 99 percent confidence level that the accuracy rate for processing voting instructions is at least 99 percent.

Broadridge’s Vote Audit and Control Department applied statistical sampling methods to project the accuracy rate of the voting instructions tested to the entire population of voting instructions that were processed by Broadridge. The projection of the accuracy rate was performed by calculating the lower precision limit of the accuracy rate at 99 percent confidence using the Poisson distribution. The results of the sampling performed and the accuracy rates projected during the three months ended May 31, 2010 are as follows:

	Number of Items Tested by Broadridge	Number of Errors Found	Confidence Level Achieved	Projected Accuracy Rate
Voting instructions representing at least 50,000 shares*	689,712	0	100%	100%
Mailed Voting instructions representing less than 50,000 shares**	120,442	0	99%	99.9%
Telephone submitted voting instructions representing less than 50,000 shares	4,417	0	99%	99.8%
Electronically submitted voting instructions representing less than 50,000 shares	3,608	0	99%	99.8%
Internet submitted voting instructions representing less than 50,000 shares	7,678	0	99%	99.9%
Consolidated Data Feed submitted voting instructions representing less than 50,000 shares	3,250	0	99%	99.8%

Based upon the testing performed, as summarized above by Broadridge’s Vote Audit and Control Department, the Company asserts that Broadridge was in compliance with its standard of achieving a 99 percent confidence level that its accuracy rate for processing voting instructions is at least 99 percent, as it relates to voting instructions which were processed by Broadridge during the three months ended May 31, 2010.

\* Broadridge’s Vote Audit and Control Department tested all voting instructions representing at least 50,000 shares processed during the three months ended May 31, 2010.

\*\* On occasion, mailed voting instructions over 50,000 shares may be categorized in both the “voting instructions representing at least 50,000 shares” category and the “mailed voting instructions representing less than 50,000 shares” category. This occurs due to the methods used by Broadridge when processing multiple voting instructions that are received in one envelope. During the three months ended May 31, 2010, Broadridge’s Vote Audit and Control Department selected 100 items tested during the period from the “mailed voting instructions representing less than 50,000 shares” category. Of the 100 voting instructions selected, one item was identified as being included in both the “mailed voting instructions representing less than 50,000 shares” category and the “voting instructions representing at least 50,000 shares” category.

***REPORT ON TESTING OF THE ACCURACY OF VOTE REPORTING OF VOTE  
INSTRUCTIONS WHICH WERE PROCESSED DURING THE THREE MONTHS ENDED  
MAY 31, 2010***

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During the three-month period ended May 31, 2010, Broadridge's Vote Audit and Control Department selected 50 voting instructions processed and tested during the period, from the voting instructions representing at least 50,000 shares category (as summarized in the table shown in Exhibit 1), to assess whether the selected voting instructions were appropriately processed and reported to the corporate issuer. The voting instructions were randomly selected by Broadridge's Vote Audit and Control Department; however, do not represent a statistically based sample whereby accuracy rates can be projected as it relates to vote reporting. Of the 50 items processed and tested during the three month period ended May 31, 2010, none of the selected voting instructions were incorrectly reported to the corporate issuer.

***ENGAGEMENT LETTER***

July 7, 2010

Mr. Lyell Dampeer  
President – Investor Communication Solutions, U.S.  
Broadridge Financial Solutions, Inc.  
51 Mercedes Way  
Edgewood, New York 11717

Dear Mr. Dampeer:

This letter confirms the engagement of Deloitte & Touche LLP (“D&T” or “we” or “us”) to perform certain agreed-upon procedures to assist Broadridge Financial Solutions, Inc., Investor Communication Solutions (the “Company” or “Broadridge”), in connection with the Company’s, its Existing Customers’ and its Steering Committee’s assessment of the Company’s reporting of the results of certain testing performed by the Company’s Vote Audit and Control Department (the “Testing”). The Testing will be performed on the vote processing and reporting relating to voting instructions processed during the periods indicated at *Exhibit 2*, as included in the Company’s Report on Testing of the Accuracy of Vote Processing and Reporting of Voting Instructions processed during the respective periods. The Steering Committee consists of representatives of the Company’s bank, brokerage, institutional investor, and corporate issuer user groups (the “Steering Committee”). Those bank, brokerage, institutional investor, and corporate issuer user groups represented by the Steering Committee are defined for the purposes of this engagement letter as “Existing Customers” and also as specified parties to this engagement.

This engagement to perform agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, subject to the terms and conditions set forth herein. The specific procedures that D&T is to perform are set forth in the attached Program of Agreed-Upon Procedures at *Exhibit 1*. These procedures have been established based on discussions with you, and the sufficiency of the procedures is solely the responsibility of the Company and the Steering Committee, as discussed below. In addition, these procedures may be changed or modified by mutual agreement among the Company, the Steering Committee, and D&T if, for example, unforeseen circumstances arise. D&T will promptly discuss any such circumstances with the Company and the Steering Committee and, likewise, the Company and the Steering Committee agree to promptly notify D&T if modifications to the procedures are requested.

### Acknowledgment and Agreements

The Company specifically acknowledges and agrees to the following:

- The performance of the agreed-upon procedures will not constitute an examination conducted in accordance with attestation standards, the objective of which is the expression of an opinion on the Company’s Report on Testing of the Accuracy of its Vote Processing and Reporting of Voting Instructions. Therefore, D&T will not be in a position to express, and will not express, an opinion, or any other form of assurance, with respect to any matters (including, without limitation, the Company’s Report on Testing of the Accuracy of its Vote Processing and Reporting of Voting Instructions), as a result of performing the agreed-upon procedures.
- The agreed-upon procedures that D&T is to perform at the request the Company, and with the agreement of D&T, are limited in nature and do not comprehend all matters relating to the Testing that might be pertinent or necessary to the Company’s, Existing Customers’ and the Steering Committee’s evaluation of the Company’s Report on Testing of the Accuracy of its Vote Processing and Reporting of Voting Instructions. Accordingly,

the procedures should not be taken to supplant other inquiries and procedures that the Company, the Existing Customers, and the Steering Committee should undertake for the purpose described above.

- D&T's report will not extend to any financial statements of the Company, taken as a whole, or its internal control for any date or period.
- The nature, scope, and design of the agreed-upon procedures that D&T is requested to perform are solely the responsibility of the Company, the Steering Committee on behalf of the Existing Customers and the Steering Committee. Furthermore, D&T has no responsibility to advise the Company, Existing Customers or the Steering Committee of other procedures that might be performed and makes no representations as to the sufficiency of such procedures for the purposes of the Company, the Existing Customers, or the Steering Committee.
- D&T's responsibility is limited to performing the procedures specified and agreed to, and to reporting the resulting findings, subject to the limitations contained herein, and D&T's engagement cannot be relied on to disclose significant deficiencies, material weaknesses, or fraud should they exist. In addition, D&T's engagement cannot be relied on to disclose errors, other than those errors that may be reported as findings in connection with the application of the agreed-upon procedures that D&T is to perform hereunder. D&T has no responsibility for updating the procedures performed or for performing any additional procedures.
- The Company shall be solely responsible for the design and operation of effective internal control (including, without limitation, effective internal control over the Company's Report on Testing of the Accuracy of its Vote Processing and Reporting of Voting Instructions) and for complying with all applicable laws and regulations.
- The Company shall be solely responsible for providing accurate and complete information requested by D&T. D&T has no responsibility for the accuracy or completeness of the information provided by, or on behalf of, the Company.
- Immediately prior to the completion of this engagement, D&T will request that the Company's management provide D&T with a representation letter acknowledging management's responsibility for the Program of Agreed Upon Procedures relating to the Company's Report on Testing of the Accuracy of its Vote Processing and Reporting of Voting Instructions, and confirming certain representations made to D&T during the engagement.
- Should D&T determine that significant restrictions are being placed on the performance of the agreed-upon procedures by the Company or the Steering Committee, including, without limitation, the failure of management to provide D&T with a management representation letter that D&T determines to be satisfactory, D&T shall be entitled to withdraw from this engagement.
- Except as set forth below, the Company agrees that any report issued by D&T hereunder will not be used by, or circulated, quoted, disclosed or distributed to, nor will reference to such report or D&T's engagement hereunder be made to, anyone who is not a member of management of the Company or the board of directors of either the Company or a member of the Steering Committee or Existing Customers who are represented by the Steering Committee and/or their designated representatives. Notwithstanding the foregoing, the Company may provide access to such report to regulatory authorities having jurisdiction over the business or financial affairs of the Company solely to the extent requested by such regulatory authority. The Company also agrees that it will not use our report for general marketing or other sales activity and agrees that if the Company would like to add a prospective customer as a non-participant party to our report, to contact us to have the appropriate agreements signed by the necessary parties before sharing our report with such prospective customers.
- Notwithstanding the foregoing, the Company may distribute our report to Existing Customers (as specified parties to the report) as specified below. The Company agrees that *(a)* D&T will be required to provide the company a certain number of printed reports that can be distributed to Existing Customers; and *(b)* the disclaimer language set forth in Appendix C will be conspicuously included on the cover of any such report that the Company manually distributes to such Existing Customers. The Company agrees that it will only distribute our report to such Existing Customers as set forth in this paragraph.

**Audit Committee's Responsibility**

As the independent registered public accounting firm of the Company, we acknowledge that the Audit Committee is directly responsible for the appointment, compensation, and oversight of our work. You have advised us that the services to be performed under this engagement letter, including, where applicable, the use by D&T of affiliates or related entities as subcontractors in connection with this engagement, have been approved by the Audit Committee in accordance with the Audit Committee's established preapproval policies and procedures.

**Fees**

Our fees are based on the amount of time required at various levels of responsibility, at our standard billing rates, plus expenses, payable upon presentation of our invoices.

\*\*\*\*\*

This engagement letter, including the exhibits attached hereto and made a part hereof, constitutes the entire agreement between the parties with respect to this engagement and supersedes all other prior and contemporaneous agreements or understandings between the parties, whether written or oral, relating to this engagement.

If the above terms are acceptable to you, and the services described are in accordance with your understanding, please sign the copy of this letter in the space provided and return it to us.

Yours truly,

*Deloitte + Touche LLP*

*Accepted and Agreed To By Broadridge Investor Communication Solutions, Inc.:*

By: *[Signature]*  
Lynn Dampson

Title: President  
Investor Communication Solutions, U.S.

Date: July 12, 2010

cc. Audit Committee of Broadridge Investor Communication Solutions, Inc.

**GENERAL BUSINESS TERMS**  
**Broadridge Investor Communication Solutions, Inc.**  
**Engagement Letter Dated July 7, 2010**

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**1. Limitation On Liability, Release, and Indemnification.**

- (a) The Company agrees that D&T (as defined below) and its personnel will not be liable to the Company for any claims, liabilities, or expenses relating to this engagement ("Claims") for an aggregate amount in excess of the fees paid by the Company to D&T pursuant to this engagement, except to the extent finally judicially determined to have resulted primarily from the bad faith or intentional misconduct of D&T. In no event will D&T or its personnel be liable for consequential, special, indirect, incidental, punitive or exemplary loss, damage, or expense relating to this engagement.
- (b) The Company agrees to release and indemnify D&T and its personnel from all Claims attributable to any misrepresentation by the Company's management.
- (c) The Company agrees to indemnify and hold harmless D&T and its personnel from all Claims, except to the extent finally judicially determined to have resulted primarily from the bad faith or intentional misconduct of D&T.
- (d) The provisions of this Paragraph 1 will apply to the fullest extent of the law, whether in contract, statute, tort (such as *negligence*), or otherwise. In circumstances where all or any portion of the provisions of this Paragraph 1 are finally judicially determined to be unavailable, D&T's aggregate liability for any Claim shall not exceed an amount that is proportional to the relative fault that D&T's conduct bears to all other conduct giving rise to such Claim.

**2. Independent Contractor.** It is understood and agreed that D&T is an independent contractor and that D&T is not, and will not be considered to be, an agent, partner, fiduciary, or representative of the Company or the other specified parties.

**3. Survival and Interpretation.** The agreements and undertakings of the Company contained in the engagement letter, together with the exhibits, appendices and supplement to the engagement letter including these terms (the "engagement letter"), will survive the completion or termination of this engagement. For purposes of the provisions in the "Acknowledgments and Agreements" section of the engagement letter and these terms, "D&T" shall mean Deloitte & Touche LLP and its subsidiaries; to the extent that, as a subcontractor, they agree to provide any of the services under or in connection with the engagement letter, the member firms of Deloitte Touche Tohmatsu, and the affiliates of Deloitte & Touche LLP and such member firms; and, in all cases, any successor or permitted assignee.

**4. Assignment and Subcontracting.** Except as provided below, no party may assign, transfer, or delegate any of its rights or obligations relating to this engagement (including, without limitation, interests or Claims) without the prior written consent of the other party. The Company hereby consents to D&T assigning or subcontracting any of D&T's rights or obligations relating to this engagement to any affiliate or related entity, whether located within or outside of the United States. Professional services performed hereunder by any of D&T's affiliates or related entities shall be invoiced as professional fees, and any related expenses shall be invoiced as expenses, unless otherwise agreed.

5. **Severability.** If any term of the engagement letter is determined to be invalid or unenforceable, such term shall not affect the other terms hereof or thereof, but such invalid or unenforceable term shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth herein and therein.
  
6. **Force Majeure.** No party shall be deemed to be in breach of the engagement letter as a result of any delays or non-performance directly or indirectly resulting from circumstances or causes beyond its reasonable control, including, without limitation, fire, epidemic or other casualty, act of God, strike or labor dispute, war or other violence, or any law, order or requirement of any governmental agency or authority.
  
7. **Dispute Resolution.** Any controversy or claim between the parties arising out of or relating to the engagement letter or this engagement (a "Dispute") shall be resolved by mediation or binding arbitration as set forth in the Dispute Resolution Provision attached hereto as Appendix B and made a part hereof.

**DISPUTE RESOLUTION PROVISION**  
**Broadridge Investor Communication Solutions, Inc.**  
**Engagement Letter Dated July 7, 2010**

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This Dispute Resolution Provision sets forth the dispute resolution process and procedures applicable to the resolution of Disputes and shall apply to the fullest extent of the law, whether in contract, statute, tort (such as *negligence*), or otherwise.

***Mediation:*** All Disputes shall be first submitted to nonbinding confidential mediation by written notice to the parties, and shall be treated as compromise and settlement negotiations under the standards set forth in the Federal Rules of Evidence and all applicable state counterparts, together with any applicable statutes protecting the confidentiality of mediations or settlement discussions. If the parties cannot agree on a mediator, the International Institute for Conflict Prevention and Resolution (“CPR”), at the written request of a party, shall designate a mediator.

***Arbitration Procedures:*** If a Dispute has not been resolved within 90 days after the effective date of the written notice beginning the mediation process (or such longer period, if the parties so agree in writing), the mediation shall terminate and the Dispute shall be settled by binding arbitration to be held in New York, New York. The arbitration shall be solely between the parties and shall be conducted in accordance with the CPR Rules for Non-Administered Arbitration that are in effect at the time of the commencement of the arbitration, except to the extent modified by this Dispute Resolution Provision (the “Rules”).

The arbitration shall be conducted before a panel of three arbitrators. Each of the Company and Deloitte & Touche LLP shall designate one arbitrator in accordance with the “screened” appointment procedure provided in the Rules and the two party-designated arbitrators shall jointly select the third in accordance with the Rules. No arbitrator may serve on the panel unless he or she has agreed in writing to enforce the terms of the engagement letter (including its exhibits, appendices and supplements, the “engagement letter”) to which this Dispute Resolution Provision is attached and to abide by the terms of this Dispute Resolution Provision. Except with respect to the interpretation and enforcement of these arbitration procedures (which shall be governed by the Federal Arbitration Act), the arbitrators shall apply the laws of the State of New York (without giving effect to its choice of law principles) in connection with the Dispute. The arbitrators shall have no power to award damages inconsistent with the terms of the engagement letter, including, without limitation, the limitation on liability, release, and indemnification provisions contained in the engagement letter. The arbitrators may render a summary disposition relative to all or some of the issues, provided that the responding party has had an adequate opportunity to respond to any such application for such disposition. Discovery shall be conducted in accordance with the Rules.

All aspects of the arbitration shall be treated as confidential, as provided in the Rules. Before making any disclosure permitted by the Rules, a party shall give written notice to all other parties and afford such parties a reasonable opportunity to protect their interests. Further, judgment on the arbitrators’ award may be entered in any court having jurisdiction.

***Costs:*** Each party shall bear its own costs in both the mediation and the arbitration; however, the parties shall share the fees and expenses of both the mediators and the arbitrators equally.

**DISCLAIMER TO GO ON FRONT COVER OF INDEPENDENT ACCOUNTANTS'  
REPORT ON APPLYING AGREED-UPON PROCEDURES RELATING TO THE  
COMPANY'S TESTING OF THE ACCURACY OF ITS PROCESSING AND  
REPORTING OF VOTING INSTRUCTIONS**  
**Broadridge Investor Communication Solutions, Inc.**  
**Engagement Letter Dated July 7, 2010**

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**NOTICE:** You and your company have obtained this agreed-upon procedures report relating to the assessment of the reporting of the results of certain testing performed by Broadridge Financial Solutions, Inc., Investor Communication Solutions' Vote Audit and Control Department (this "Agreed-upon Procedures Report") as your company is an Existing Customer (as defined below) of Broadridge Financial Solutions, Inc. ("the Company"). This Agreed-upon Procedures Report is intended only to be used by members of management of the Company; a member of the Steering Committee; or a bank, brokerage, institutional investor, or corporate issuer user groups who are represented by the Steering Committee ("Existing Customers"), as stated in the independent accountants' report on applying agreed-upon procedures contained in this Agreed-upon Procedures Report, (collectively "Permitted Users"). Deloitte & Touche LLP ("Deloitte & Touche"), the entity that issued the independent accountants' report on applying agreed-upon procedures contained in this Agreed-upon Procedures Report, and its subcontractors, and their respective personnel shall have no liability, duties, responsibilities or other obligations to any prospective customers of the Company who may obtain this Agreed-upon Procedures Report, including, without limitation, in connection with any Permitted User's contemplation of contracting for services with the Company.

Deloitte & Touche, its subcontractors and their respective personnel have no responsibility for the Company's design and operation of effective internal control (including, without limitation, effective internal control over the Company's assessment of the reporting of the results of certain testing performed by the Company's Vote Audit and Control Department) or for the Company's compliance with all applicable laws and regulations. Nor does Deloitte & Touche, its subcontractors and their respective personnel have any obligation to advise or consult with any entity regarding their use of this Agreed-upon Procedures Report. Any use of this Agreed-upon Procedures Report by a party other than a Permitted User ("Other User") is at the sole and exclusive risk of such Other User. This Agreed-upon Procedures Report is not to be further disclosed, distributed, quoted, or referenced to any third party or included or incorporated by reference in any other document, including any securities filings.

**PROGRAM OF AGREED-UPON PROCEDURES RELATING TO BROADRIDGE  
INVESTOR COMMUNICATION SOLUTIONS' TESTING OF THE ACCURACY OF  
ITS VOTE PROCESSING AND REPORTING OF VOTING INSTRUCTIONS**

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**VOTE PROCESSING**

**I. Vote Testing Summary**

- A.** For each period (see *Exhibit 2*), obtain a summary of all voting tested by Broadridge Financial Solutions, Inc., Investor Communication Solutions' Vote Audit and Control Department (the "Company" or "Broadridge") relating to voting instructions which were processed during the period, including a detail of all errors noted from each of the following voting categories subjected to testing: all voting instructions representing at least 50,000 shares and telephone voting instructions, electronic voting instructions, internet voting instructions, and mailed Vote Instruction Forms ("VIFs") or proxy cards each representing less than 50,000 shares.
- B.** For each period (see *Exhibit 2*), using the pre-determined confidence level of 99 percent for telephone, electronic, internet, and mailed VIFs or proxy cards each representing less than 50,000 shares, and 100 percent for all voting instructions representing at least 50,000 shares, re-calculate the Company's achieved accuracy rate based upon the total voting tested and errors found as summarized for each category tested in *I.A.*

**II. Telephone Submitted Voting Instructions Representing Less Than 50,000 Shares**

**Preface:** To test telephone voting instructions representing less than 50,000 shares, Broadridge selects mailed VIFs or proxy cards prior to processing and votes the VIFs or proxy cards through the telephone. Broadridge then compares the VIF or proxy card to the Proxy Plus Voting History File to check vote processing accuracy.

- A.** For each period (see *Exhibit 2*), select five days.
- B.** For each day selected in *II.A.*, obtain a copy of every VIF or proxy card that was telephone voted and tested by Broadridge.
- C.** From the items in *II.B.*, select five VIFs or proxy cards per day.
- D.** From the items selected in *II.C.*, compare the instructions on the VIF or proxy card to Broadridge's Telephone Voting File and the Proxy Plus Voting History File to ascertain that the vote was processed correctly.

### **III. Electronically Submitted Voting Instructions Representing Less Than 50,000 Shares**

**Preface:** To test electronically submitted voting instructions representing less than 50,000 shares, on a daily basis Broadridge produces an Electronic Vote Summary Report listing votes that were electronically submitted on that given day. The report lists each meeting and the corresponding voting instructions that were submitted electronically. Broadridge selects daily a sample of electronically submitted votes from the Electronic Vote Summary Report. Broadridge then obtains from Proxy Plus the corresponding Voting History File. Broadridge compares the submitted votes in the Electronic Vote Summary Report to those recorded in the Voting History File to verify the vote processing accuracy.

- A.** For each period (see *Exhibit 2*), select five days.
- B.** For each day selected in *III.A.*, obtain a copy of all Electronic Vote Summary Reports received and tested by Broadridge from their electronic voting users. The Electronic Vote Summary Report is the electronic voter's record of voting instructions electronically submitted to Broadridge for voting, listed by control number and shares voted.
- C.** From each daily Electronic Vote Summary Report in *III.B.*, select five control numbers.
- D.** For each control number selected in *III.C.*, obtain a copy of the corresponding Proxy Plus Voting History File.
- E.** For the control numbers selected in *III.C.*, compare the instructions on the Electronic Vote Summary Report to Broadridge's Proxy Plus Voting History File to ascertain that the vote was processed correctly.

### **IV. Voting Instructions Representing At Least 50,000 Shares**

**Note:** *Broadridge's Vote Audit and Control Department tests all voting instructions representing at least 50,000 shares.*

- A.** For each period (see *Exhibit 2*), select 5 days.
- B.** For each day selected in *IV.A.*, obtain a copy of Broadridge's over 50,000 share Batch Update Report.
- C.** From each report obtained in *IV.B.*, select five control numbers representing voting instructions that were processed on the selected day.
- D.** If the item selected in *IV.C.* was submitted via mail, obtain a copy of the corresponding VIF or proxy card and compare the voting instructions to the Batch Update Report and the Proxy Plus Voting History File to ascertain that the vote was processed correctly.
- E.** If the item selected in *IV.C.* was submitted via the telephone, obtain a copy of Broadridge's Telephone Voting File and compare the voting instructions to the Batch Update Report and the Proxy Plus Voting History File to ascertain that the vote was processed correctly.
- F.** If the item selected in *IV.C.* was submitted electronically, obtain a copy of Broadridge's Vote Summary Report or equivalent voting summaries and compare the voting instructions to the Batch Update Report and the Proxy Plus Voting History File to ascertain that the vote was processed correctly.
- G.** If the item selected in *IV.C.* was submitted via the internet, obtain a copy Broadridge's Internet Voting File Report and compare the voting instructions to the Batch Update Report and the Proxy Plus Voting History File to ascertain that the vote was processed correctly.

- H. If the item selected in *IV.C.* was submitted via Consolidated Data Feed (“CDF”), obtain a copy Broadridge’s Consolidated Data Voting File Report or equivalent and compare the voting instructions, for each proposal, to Broadridge’s Batch Update Report and the Proxy Plus Voting History File to ascertain that the vote was processed correctly.

**V. Mailed VIFs or Proxy Cards Representing Less Than 50,000 Shares**

- A. For each period (see *Exhibit 2*), select five days.
- B. For each day selected in *V.A.*, obtain a copy of the Scanner Audit Reports.
- C. From each Scanner Audit Report obtained in *V.B.*, select five control numbers representing the VIFs or proxy cards that were processed on the selected day.
- D. For each item selected in *V.C.*, obtain a copy of the corresponding VIF or proxy card.
- E. Compare each VIF or proxy card from *V.D.* to the Scanner Audit Report and the Proxy Plus Voting History File to ascertain that they have been voted correctly.

**VI. Internet Submitted Voting Instructions Representing Less Than 50,000 Shares**

**Preface:** To test internet voting instructions representing less than 50,000 shares, Broadridge selects mailed VIFs or proxy cards prior to processing and votes the VIFs or proxy cards through the Internet. Broadridge then compares the VIF or proxy card to the Proxy Plus Voting History File to check vote processing accuracy.

- A. For each period (see *Exhibit 2*), select five days.
- B. For each day selected in *VI.A.*, obtain a copy of every VIF or proxy card that was Internet voted and tested by Broadridge.
- C. From the items in *VI.B.*, select five VIFs or proxy cards per day.
- D. From the items selected in *VI.C.*, compare the instructions on the VIF or proxy card to Broadridge’s Internet Voting File Report and the Proxy Plus Voting History File to ascertain that the vote was processed correctly.

**VII. Consolidated Data Feed Voting Instructions Representing Less Than 50,000 Shares**

**Preface:** To test voting instructions received less than 50,000 shares, on a daily basis Broadridge produces a CDF Vote Summary Report listing votes that were electronically submitted on that given day. The report lists each meeting and the corresponding voting instructions that were submitted electronically. Broadridge selects daily a sample of electronically submitted votes from the CDF Vote Summary Report. Broadridge then obtains from Proxy Plus the corresponding Voting History File. Broadridge compares the submitted votes in the CDF Vote Summary Report to those recorded in the Voting History File to verify the vote processing accuracy.

- A. For each period (see *Exhibit 2*), select five days.
- B. For each day selected in *VII.A.*, obtain a copy of all CDF Vote Summary Reports received and tested by Broadridge from their electronic voting users. The CDF Vote Summary Report is the electronic voter’s record of voting instructions electronically submitted to Broadridge for voting, listed by control number and shares voted.
- C. From each daily CDF Vote Summary Report in *VII.B.*, select five control numbers.

- D.** For each control number selected in *VII.C.*, obtain a copy of the corresponding Proxy Plus Voting History File.
- E.** For the control numbers selected in *VII.C.*, compare the instructions on the CDF Vote Summary Report to Broadridge's Proxy Plus Voting History File to ascertain that the vote was processed correctly.

***VIII. Categorization of Mailed Voting Instructions***

***Note:*** Broadridge's Vote Audit and Control Department performs a secondary test on 100 mailed VIFs or proxy cards, each quarter, to assess the frequency of "voting instructions representing at least 50,000 shares" being categorized as "mailed voting instructions representing less than 50,000 shares".

- A.** For each period (See *Exhibit 2*), obtain a summary of all "mailed voting instructions representing less than 50,000 shares" tested by Broadridge's Vote Audit and Control Department relating to the categorization of these VIFs or proxy cards, including a detail of all errors noted.
- B.** From the summary obtained in *VIII. A.*, select 25 control numbers.
- C.** For each control number selected in *VIII. B.*, obtain a copy of the corresponding VIF or proxy card and note the number of shares.
- D.** Ascertain whether the VIFs or proxy cards obtained in *VIII. C.* were properly reflected on the summary obtained in *VIII. A.*, based on the number of shares.

## PROGRAM OF AGREED-UPON PROCEDURES RELATING TO BROADRIDGE INVESTOR COMMUNICATION SOLUTIONS' TESTING OF THE ACCURACY OF ITS REPORTING OF VOTING INSTRUCTIONS REPRESENTING AT LEAST 50,000 SHARES

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***Preface:*** Voting instructions are submitted through either registered or beneficial stockholders (see Glossary below for definitions of terms used in the Program of Agreed-Upon Procedures). To test the accuracy of the reporting of voting instructions, Broadridge's Vote Audit and Control Department selected 50 of the voting instructions processed and tested during the period, from the voting instructions representing at least 50,000 shares category, and assessed whether the voting instructions were appropriately reported to the corporate issuer.

### ***IX. Vote Reporting – Voting Instructions Representing At Least 50,000 Shares***

- A.** For each period (see *Exhibit 2*), obtain a summary of the 50 voting instructions representing at least 50,000 shares which were tested during the period, by Broadridge's Vote Audit and Control Department, to assess whether the selected voting instructions were processed as instructed and reported to the corporate issuer, including a detail of all errors noted during the testing.
- B.** For each period (see *Exhibit 2*), from the listing of 50 voting instructions representing at least 50,000 shares which were tested by Broadridge's Vote Audit and Control Department obtained in **IX.A.**, select 10 voting instructions. (**Note:** All selections made in performing these agreed-upon procedures while non-statistical in nature, should be made without the intention of introducing bias in the selection process.)
- C.** If the voting instruction selected in **IX.B.** was submitted via mail, obtain a copy of the corresponding VIF or proxy card, or equivalent and compare the voting instructions, for each proposal, to Broadridge's Stockholder Name and Address List or Proxy Plus Voting History File to ascertain that the vote was processed correctly.
- D.** If the voting instruction selected in **IX.B.** was submitted via telephone, obtain a copy of Broadridge's Telephone Voting File or equivalent voting summaries and compare the voting instructions, for each proposal, to Broadridge's Stockholder Name and Address List or Proxy Plus Voting History File to ascertain the vote was processed correctly.
- E.** If the voting instruction selected in **IX.B.** was submitted electronically, obtain a copy of Broadridge's Vote Summary Report or equivalent voting summaries and compare the voting instructions, for each proposal, to Broadridge's Stockholder Name and Address List or Proxy Plus Voting History File to ascertain the vote was processed correctly.
- F.** If the voting instruction selected in **IX.B.** was submitted via internet, obtain a copy of Broadridge's Internet Voting File Report or equivalent voting summaries and compare the voting instructions, for each proposal, to Broadridge's Stockholder Name and Address List or Proxy Plus Voting History File to ascertain the vote was processed correctly.
- G.** If the item selected in **IX.B.** was submitted via CDF, obtain a copy Broadridge's Consolidated Data Voting File Report or equivalent and compare the voting instructions, for each proposal, to Broadridge's Batch Update Report and the Proxy Plus Voting History File to ascertain that the vote was processed correctly.

### **Beneficial Stockholder**

- H.** For each of the voting instructions selected in ***IX.B.***, which relate to a beneficial stockholder, ascertain the broker dealer / bank nominee the voting instructions were voted through. Compare the voting summary of shares, for each proposal, for the related broker dealer/bank nominee as reflected on Broadridge's Beneficial Stockholder Name and Address List or Proxy Plus Voting History File (as reconciled by Broadridge's Vote Audit and Control Department) to the multiple client proxy issued on the related corporate issuer's meeting date.
- I.** Compare the number of shares owned, for the broker dealer/bank nominee the voting instructions were voted through, as indicated on the Beneficial Stockholder Name and Address List (as reconciled by Broadridge's Vote Audit and Control Department) to the total number of shares on the summation of all multiple client proxies issued for the job.
- J.** Ascertain all required multiple client proxies are produced and add the daily voting totals for the related broker dealer / bank nominee, pertaining to the originally selected voting instruction and agree the summation of such totals to the "summary vote to date" reported on the last multiple client proxy issued.
- K.** Compare the "summary vote to date" for the related broker dealer/bank nominee, as reflected on the last multiple client proxy issued on the corporate issuer's meeting date, to the Inspector of Elections report for those where Broadridge is the tabulator.
- L.** Compare the total voting summary for the beneficial stockholders, for each proposal, as reflected on the Inspector of Elections report to the tabulator vote report for those where Broadridge is the tabulator.

### **Registered Stockholder**

For each of the voting instructions selected in ***IX.B.***, which Broadridge is the tabulator:

- M.** For each of the voting instructions selected in ***IX.B.***, which related to a registered stockholder, compare the voting summary of shares, for each proposal, from the registered stockholder name and address list (as reconciled by Broadridge's Vote Audit and Control Department) to the Inspector of Elections report.
- N.** Compare the total voting summary for the registered stockholders, for each proposal, as reflected on the Inspector of Elections report to the tabulator vote report.

### **Election of Directors Proposal**

For each of the voting instructions selected in ***IX.B.***, whereby Broadridge is the tabulator:

- O.** For the Election of Directors proposal, compare the voting summary of shares for each director, for the related broker dealer / bank nominee, as reflected on the beneficial stockholder name and address list (as reconciled by Broadridge's Vote Audit and Control Department) to the directors' exception report and the tabulator history report and note whether they are in agreement.
- P.** For the Election of Directors proposal, compare the voting summary for each director, as reflected on the registered stockholder name and address list (as reconciled by Broadridge's Vote Audit and Control Department), to the tabulator history report and note whether they are in agreement.
- Q.** Compare the voting summary, for each director, as reflected on the tabulator history report (for both the registered and beneficial stockholders), to the tabulator vote report and note whether such voting is in agreement.

For each of the voting instructions selected in ***IX.B.*** whereby Broadridge is not the tabulator:

**R.** For the Election of Directors proposal, obtain the beneficial stockholder name and address list for the related broker dealer / bank nominee, and compare the voting summary to the directors' exception report and note whether they are in agreement.

## EXHIBIT 2

### **PERIODS FOR WHICH THE AGREED-UPON PROCEDURES RELATING TO BROADRIDGE INVESTOR COMMUNICATION SOLUTIONS' TESTING OF THE ACCURACY OF ITS PROCESSING AND REPORTING OF VOTING INSTRUCTIONS ARE TO BE PERFORMED**

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March - May	2010
June - August	2010
September - November	2010
December 2010 - February	2011

## GLOSSARY OF TERMS

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<b>Multiple Client Proxy</b>	Compilation of the beneficial stockholders' voted shares, by broker dealer /bank nominee, through the meeting date of the corporation issuer.
<b>Stockholder Name and Address List or Proxy Plus History File</b>	Detailed compilation of all voted and non-voted shares of eligible stockholders (both registered and beneficial stockholders).
<b>Inspector of Elections Report</b>	Summary of all voting (from both registered and beneficial stockholders), for each proposal, as summarized by the tabulator.
<b>Tabulator Vote Report</b>	Summary of all votes cast for the meeting (via registered or beneficial stockholders), by proposal, including total voting power outstanding and quorum to date.
<b>Registered Stockholder</b>	Securities held directly by individual owners (not through a registered intermediary).
<b>Beneficial Stockholder</b>	Securities held through a registered intermediary (broker dealer / bank nominee).
<b>Proposal</b>	Matter listed on proxy card or VIF subject to a vote of security holders.
<b>Tabulator History Report</b>	Summary of all voting (from both registered and beneficial stockholders) related to the election of directors, obtained from the summation of Inspector of Elections Report and tabulator file (specific to Directors' exceptions).
<b>Telephone Voting File</b>	Daily report summarizing voting instruction forms received via the telephone.
<b>Vote Summary Report</b>	Daily report summarizing voting instruction forms received electronically.
<b>Internet Voting File Report</b>	Daily report summarizing voting instruction forms received via the internet.

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Mr. Lyell Dampeer  
President, Investor Communication Solutions  
Broadridge Financial Solutions, Inc.  
51 Mercedes Way  
Edgewood, New York 11717

Dear Mr. Dampeer:

This report is written to comply with the terms of our engagement with Broadridge Financial Solutions, Inc., Investor Communication Solutions ("Broadridge" or the "Company"), as outlined in our attached letter to you dated July 7, 2010 (the "Engagement Letter").

### Purpose of Engagement

We have performed the agreed-upon procedures set forth in the program attached as *Exhibit 1* to the Engagement Letter (included herein), to assist you in evaluating the Company's reporting of the results of the testing performed by its Vote Audit and Control Department on the accuracy of its processing of voting instructions and reporting of voting instructions during the three months ended May 31, 2010. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. We understand that our report may be provided to all members of Broadridge's Steering Committee (the "Steering Committee") and all institutions, banks, brokers, organizations and corporate issuers who are represented by the Steering Committee, including the American Society of Corporate Secretaries.

The management of the Company is responsible for establishing and maintaining its operating system and the controls inherent in such system. One of the objectives of system controls is to provide reasonable, but not absolute, assurance that procedures are operating as intended by management. The concept of reasonable assurance recognizes that the cost of a system of control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personnel factors. Control procedures, the effectiveness of which depends upon segregation of duties, can be circumvented intentionally by management with respect either to the execution and recording of transactions or with respect to the estimates and judgments required. Further, projection of any evaluation of controls to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions and that the degree of compliance with the procedures may deteriorate.

**Deloitte**

***Broadridge Financial  
Solutions, Inc., Investor  
Communication Solutions***

*Independent Accountants' Report On  
Applying Agreed-Upon Procedures  
Relating to Testing of Compliance with Certain  
SEC and NYSE Proxy Rules  
June 30, 2009*

**NOTICE:** You and your company have obtained this agreed-upon procedures report relating to certain proxy rules, during the period July 1, 2008 through June 30, 2009, to provide assistance in determining Broadridge Financial Solutions, Inc., Investor Communication Solutions' compliance with certain aspects of Rule 342 of the New York Stock Exchange ("NYSE"), as well as similar compliance rules of other stock exchanges and the United States Securities and Exchange Commission ("SEC") (this "Agreed-upon Procedures Report") as your company is an Existing Customer (as defined below) of Broadridge Financial Solutions, Inc. ("the Company"). This Agreed-upon Procedures Report is intended only to be used by members of management of the Company; a member of the Steering Committee; or a bank, brokerage, institutional investor, or corporate issuer user groups who are represented by the Steering Committee ("Existing Customers"), as stated in the independent accountants' report on applying agreed-upon procedures contained in this Agreed-upon Procedures Report, (collectively "Permitted Users"). Deloitte & Touche LLP ("Deloitte & Touche"), the entity that issued the independent accountants' report on applying agreed-upon procedures contained in this Agreed-upon Procedures Report, and its subcontractors, and their respective personnel shall have no liability, duties, responsibilities or other obligations to any prospective customers of the Company who may obtain this Agreed-upon Procedures Report, including, without limitation, in connection with any Permitted User's contemplation of contracting for services with the Company.

Deloitte & Touche, its subcontractors and their respective personnel have no responsibility for the Company's design and operation of effective internal control (including, without limitation, effective internal control over the Company's compliance with certain rules of the NYSE, as well as similar compliance rules of other stock exchanges and the SEC) or for the Company's compliance with all applicable laws and regulations. Nor does Deloitte & Touche, its subcontractors and their respective personnel have any obligation to advise or consult with any entity regarding their use of this Agreed-upon Procedures Report. Any use of this Agreed-upon Procedures Report by a party other than a Permitted User ("Other User") is at the sole and exclusive risk of such Other User. This Agreed-upon Procedures Report is not to be further disclosed, distributed, quoted, or referenced to any third party or included or incorporated by reference in any other document, including any securities filings. Notwithstanding the foregoing, the Company may provide access to such report to regulatory authorities having jurisdiction over the business or financial affairs of the Company solely to the extent requested by such regulatory authority.

**BROADRIDGE FINANCIAL SOLUTIONS, INC.,  
INVESTOR COMMUNICATION SOLUTIONS**

**TABLE OF CONTENTS**

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	<b>Page</b>
INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES	3
<b><u>Exhibit 1</u></b> Results of Agreed-Upon Procedures Related To Certain NYSE and SEC Proxy Rules	6
<b><u>Exhibit 2</u></b> Engagement Letter	14



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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Mr. Robert Schifellite  
President, Investor Communication Solutions  
Broadridge Financial Solutions, Inc  
51 Mercedes Way  
Edgewood, New York 11717

Dear Mr. Schifellite:

This report is written to comply with the terms of our engagement with Broadridge Financial Solutions, Inc., Investor Communication Solutions ("Broadridge" or the "Company"), as outlined in our letter to you dated June 22, 2009 (Exhibit 2).

### **Business**

The following description of the business has been provided by the Company as background to explaining the purpose of this engagement.

Under Securities and Exchange Commission ("SEC") Rule 14a-3 (d), corporate issuers soliciting proxies who know that securities are held of record by a registered intermediary, must inquire of the record holder if other persons are the beneficial shareholders of such securities. If so, they must furnish the required number of applicable shareholder communications to be forwarded to those beneficial shareholders. Under SEC Rule 14b-1, intermediaries must respond to an inquiry made in accordance with SEC Rule 14a-3 (d) and upon receipt of such shareholder communications, forward them to the beneficial shareholders. Expenses incurred by the registered intermediary must be reimbursed by the corporate issuer. Under SEC Rule 14b-1(c), corporate issuers may communicate directly with non-objecting beneficial shareholders in certain circumstances.

In accordance with SEC Release No. 34-56135, effective January 1, 2008, a corporate issuer that is required to furnish proxy materials to shareholders under the SEC's proxy rules must post its proxy materials on a specified, publicly-accessible Internet Web site (other than the SEC's EDGAR Web site) and provide record holders with a notice informing them that the materials are available and explaining how to access those materials.

The Company services the needs of its subscribers, which presently include broker-dealers and bank nominees throughout the country, in complying with the regulations established by appropriate regulatory agencies, by mailing to the beneficial shareholders the communications received from the corporate issuers. The Company also tabulates the voting instructions of beneficial shareholders which are registered in intermediaries' names. In connection therewith, the Company assists its subscribers with respect to compliance with certain rules to be observed in proxy voting.

When the names and addresses of beneficial shareholders are received from the subscribers and proxy information is received from the corporate issuers, the Company will transmit such material to each beneficial shareholder. As to proxy voting, if the material is mailed at least 15 days before a meeting, a broker subscriber can vote on discretionary issues if the beneficial shareholder did not return voting instructions, as permitted by Proxy Rule 452 of the New York Stock Exchange (the "Exchange"). On nondiscretionary issues, the beneficial shareholder must instruct the subscriber how to vote.

The Company will tabulate all of the voting instructions and summarize this information for the subscribers by issuance of its multiple client proxy to the corporate issuer. Proxies are executed by officers of the Company with Power of Attorney to vote and sign proxies on the Company's subscribers' behalf. Powers of Attorney are on file with the Company for all subscribers.

Although the Company's clients are the subscribers, its fee is paid by the corporate issuer pursuant to SEC rules and further defined by rates established by the Exchange.

The Company also serves as the intermediary for direct communications between corporate issuers and non-objecting beneficial shareholders under SEC Rule 14b-1(c).

The Company maintains all of its voting, mailing, and receiving records for the subscribers and regulatory bodies to inspect. The Company's facility is located at 51 Mercedes Way, Edgewood, New York 11717. The telephone number is (631) 254-7400.

#### **Purpose and Scope of Engagement**

We have performed the agreed-upon procedures set forth in Exhibit 1 to the Engagement Letter. These procedures were specified by you in order to assist your subscribers in determining their compliance with certain aspects of Rule 342 of the Exchange, as well as similar compliance rules of other stock exchanges. These procedures involve testing the Company's operating system as it relates to certain proxy rules of the Exchange and the SEC, which are identified in Exhibit 1 of this report and which set certain of the standards to be observed by Broadridge's subscribers in proxy voting. Our procedures covered the period from July 1, 2008 to June 30, 2009. This agreed-upon procedure engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency for which this report has been requested or for any other purpose.

The management of the Company is responsible for establishing and maintaining its operating system and the internal controls inherent in such system. One of the objectives of internal controls is to provide reasonable, but not absolute, assurance that procedures are operating as intended by management. The concept of reasonable assurance recognizes that the cost of an internal control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

There are inherent limitations that should be recognized in considering the potential effectiveness of internal control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personnel factors. Control procedures, the effectiveness of which depends upon segregation of duties, can be circumvented intentionally by management with respect either to the execution and recording of transactions or with respect to the estimates and judgments required. Further, projection of any evaluation of controls to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions and that the degree of compliance with the procedures may deteriorate.

Our performance of the agreed-upon procedures, which was done for the purpose set forth in the first paragraph of this section of the letter, was not for the expression of an opinion on internal control. Accordingly, we do not express such opinion and our report will not satisfy any regulatory, contractual, or other requirements for a report on internal control. Furthermore, our engagement was not designed to disclose defalcations or other similar irregularities, should there be any. The performance criteria apply only to the Company's performance and do not apply to the performance and/or responsiveness of subscribers, corporate issuers, or others involved in the proxy voting process. Accordingly, our procedures were limited to the operating system and related controls and procedures of the Company and did not extend to external procedures performed by subscribers, corporate issuers and others involved in the proxy voting process. If additional procedures or an examination of the Company's internal control structure had been performed, other matters might have come to our attention which would have been reported to you.

### Findings

The results of our agreed-upon procedures are included in Exhibit 1 of this report and should be considered by the specified users in their evaluation of the subscriber's compliance with certain aspects of Rule 342 of the Exchange. As a result of the performance of our agreed-upon procedures, we did not identify any instances of noncompliance by the Company with the proxy rules identified in Exhibit 1.

The primary responsibility for compliance with Rule 342 of the Exchange, as well as similar compliance rules of other stock exchanges, rests with each individual subscriber and involves subscriber activities in addition to those covered by the Company's system. Accordingly, we express no opinion on any specific subscriber's compliance with this rule.

This report only addresses exceptions noted during the performance of our agreed-upon procedures that directly affect compliance with the proxy rules identified in Exhibit 1 to this report.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the Company's compliance as it related to the compliance with certain rules of the New York Stock Exchange as well as similar compliance rules of other exchanges and the SEC.

We understand that our report may be provided to the Company's bank, brokerage, institutional investor, and corporate issuer user groups represented by the Steering Committee, as defined for the purposes of this report as "Existing Customers" and also as specified parties to this engagement. This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties. Notwithstanding the foregoing, the Company may provide access to such report to regulatory authorities having jurisdiction over the business or financial affairs of the Company solely to the extent requested by such regulatory authority.

*Deloitte + Touche LLP*

November 13, 2009

**Exhibit 1**

**RESULTS OF AGREED-UPON PROCEDURES RELATED TO CERTAIN NYSE PROXY RULES AND SEC PROXY RULES 14b-1(a), (b) AND (b)(1)**

NYSE/SEC Proxy Rules	Broadridge Procedures	D&T Compliance Tests	Number of Items Tested	Total Number of Exceptions	Number of Exceptions External To Broadridge Control	Number of Exceptions Under Broadridge Control Processing Error	Retrieval Problem
NYSE 450	See Rule 452	(A) See Rule 452					
NYSE 451(a) SEC 34-56135 II.A.2	Broadridge documents the receipt and mailing dates of all materials processed. Broadridge also documents the quantity of materials requested, received and mailed to beneficial shareholders of record.	Prog. Procedure 1 Prog. Procedure 2 Prog. Procedure 3	25 corp. issuers 18 corp. issuers 5 corp. issuers	- - -	- - -	- - -	- - -
NYSE 451(b) (1)	Broadridge's preprinted vote instruction forms which are sent to shareholders to obtain voting instructions, include all required voting information.	Prog. Procedure 6	23 corp. issuers	-	-	-	-
	Broadridge identifies all proposals as being nondiscretionary on the vote instruction form, if the proxy materials are not mailed at least 15 days prior to the meeting. If the materials are mailed at least 15 days prior to the meeting, Broadridge will process votes as discretionary proposals if no instructions are received from the beneficial shareholders.	Prog. Procedure 4(a) Prog. Procedure 4(b) Prog. Procedure 12 Prog. Procedure 13	18 corp. issuers 18 corp. issuers 23 corp. issuers 25 corp. issuers	- - - -	- - - -	- - - -	- - - -
NYSE 451(b) (2)	Not applicable. Broadridge does not transmit signed proxies to beneficial shareholders.	Not applicable					
NYSE 451.10	Annual reports are furnished to beneficial shareholders with the proxy materials unless Broadridge is specifically requested by The corporate issuer to mail separately.	Prog. Procedure 5 Prog. Procedure 20(c)	25 corp. issuers 25 corp. issuers	- -	- -	- -	- -

**Comments:**

(A) See Exhibit 1 to the Engagement Letter for the Program of Agreed-upon Procedures.

NYSE/SEC Proxy Rules	Broadridge Procedures	D&T Compliance Tests (A)	Number of Items Tested	Total Number of Exceptions	Number of Exceptions External To Broadridge Control	Number of Exceptions Under Broadridge Control	
						Processing Error	Retrieval Problem
NYSE 451.20	Broadridge's preprinted vote instruction forms, which are utilized to record beneficial shareholder voting instructions, include all required voting information.	Prog. Procedure 6	23 corp. issuers	-	-	-	-
		Prog. Procedure 12	23 corp. issuers	-	-	-	-
		Prog. Procedure 20(d)	23 vote inst. forms	-	-	-	-
NYSE 451.30	Not applicable. Broadridge does not transmit signed proxies to beneficial shareholders.	Not applicable					
NYSE 451.40	Not applicable. Broadridge does not transmit signed proxies to beneficial shareholders.	Not applicable					
NYSE 451.50	In general, first class mail is used for mailing proxy materials. In certain situations, Broadridge distributes materials in batches via Federal Express.	Prog. Procedure 7	25 corp. issuers	-	-	-	-
NYSE 451.60	Proxy materials are sent to all beneficial shareholders reported to Broadridge by its subscribers.	Prog. Procedure 1	25 corp. issuers	-	-	-	-
		Prog. Procedure 2	18 corp. issuers	-	-	-	-
NYSE 451.70	Rule is no longer in effect.	Not applicable					
NYSE 451.80	Not applicable. Broadridge will transmit proxy materials to all beneficial shareholders identified by Broadridge subscribers. This procedure would not be affected by the fact that the subscriber is an out-of-town or non-clearing member organization included in an omnibus account.	Not applicable					

NYSE/SEC Proxy Rules	Broadridge Procedures	D&T Compliance Tests	Number of Items Tested	Total Number of Exceptions	Number of Exceptions External To Broadridge Control	Number of Exceptions Under Broadridge Control	
						Processing Error	Retrieval Problem
(A)							
NYSE 452 Par. 1	Broadridge will issue its first multiple client proxy 15 days prior to the meeting, if the proxy materials are mailed at least 25 days prior to the meeting. If materials are mailed between 15 and 24 days prior to the meeting, Broadridge will issue its first multiple client proxy 10 days prior to the meeting. Subsequent proxies will then be issued from the ninth day prior to the meeting through the meeting date for all corporate issuers with at least one nondiscretionary proposal. If all proposals are discretionary, subsequent proxies are issued the third business day prior to the meeting date and the meeting date. These proxies reflect all beneficial shareholder voting instructions.	Prog. Procedure 8 Prog. Procedure 9 Prog. Procedure 10 Prog. Procedure 11  Prog. Procedure 15  Prog. Procedure 16 Prog. Procedure 17  Prog. Procedure 17(a)  Prog. Procedure 19	38 powers of attorney 0 legal proxy requests 16 legal proxy requests 150 telephone, internet and electronic vote batch summary reports 25 corp. issuers representing 991,352 positions and 2,450,788,435 shares 500 vote inst. forms or proxy cards 25 sets of mult. client proxies  23 sets of mult. client Proxies  23 corp. issuers repre- senting 2,417,472,689 shares	- - - -  -  - -  -  -  -	- - - -  -  - -  -  -	- - - -  -  - -  -  -	- - - -  -  - -  -  -
NYSE 452 Par.2	Not applicable. Proof of fiduciary capacity with authority to vote remains with subscribers.	Not applicable					
NYSE 452 Par.3	When beneficial shareholder instructions are not received, Broadridge will vote affirmatively on discretionary proposals, in accordance with rules 451 and 452.	Prog. Procedure 4(a) Prog. Procedure 4(b) Prog. Procedure 12	18 corp. issuers 18 corp. issuers 78 proposals	- - -	- - -	- - -	- - -
NYSE 452 Par.4	Not applicable. Subscribers are responsible for providing Broadridge with a proper list of beneficial shareholders.	Not applicable					
NYSE 452 Par.5	Not applicable. Broadridge does not transmit signed proxies to beneficial shareholders or member organizations.	Not applicable					

NYSE/SEC Proxy Rules	Broadridge Procedures	D&T Compliance Tests	Number of Items Tested	Total Number of Exceptions	Number of Exceptions External To Broadridge Control	Number of Exceptions Under Broadridge Control	Processing Error	Retrieval Problem
		(A)						
NYSE 452.10	Same as 452 Paragraph 3.							
NYSE 452.11	Broadridge utilizes both the NYSE, Inc. Weekly Bulletin and the guidelines provided by this rule for determining whether it may process votes without instructions from beneficial shareholders.	Prog. Procedure 12	78 proposals	-	-	-	-	-
NYSE 452.12	Broadridge's vote instruction forms, which are sent to beneficial shareholders, and Broadridge's multiple client proxies, which are sent to the corporate issuers, indicate whether each proposal is discretionary or nondiscretionary.	Prog. Procedure 4(b)	18 corp. issuers	-	-	-	-	-
		Prog. Procedure 12	23 corp. issuers	-	-	-	-	-
		Prog. Procedure 13	25 corp. issuers	-	-	-	-	-
NYSE 452.13	When a contest develops Broadridge will cancel discretionary voting and will provide no further voting except at the direction of the beneficial owners.	Prog. Procedure 14	2 corp. issuers, representing 27,382 positions and 33,315,746 shares	-	-	-	-	-
NYSE 452.14	All subsequent multiple client proxies issued by Broadridge are identified as "revised" and specify that the voting included therein represents additions to previous multiple client proxies.	Prog. Procedure 17	25 sets of mult. client proxies	-	-	-	-	-
NYSE 452.15	All multiple client proxies issued by Broadridge are dated, show the number of shares voted and include a facsimile signature of one of Broadridge's principals who have been granted the power of attorney to sign the proxies by each subscriber included in the multiple client proxies. Broadridge maintains unsigned copies of multiple client proxies on optical disk.	Not applicable						
NYSE 452.16(1)	Broadridge maintains a daily computerized log of proxy materials received.	Prog. Procedure 18(a)	25 corp. issuers	-	-	-	-	-

NYSE/SEC Proxy Rules	Broadridge Procedures	D&T Compliance Tests	Number of Items Tested	Total Number of Exceptions	Number of Exceptions External To Broadridge Control	Number of Exceptions Under Broadridge Control	Processing Error	Retrieval Problem
		(A)						
NYSE 452.16 (2)	Broadridge maintains a computer tape file of the names of all persons receiving proxy materials, the number of shares owned and the sequence number of each vote information form issued.	Prog. Procedure 18(b) Prog. Procedure 19	25 corp. issuers 23 name and address lists representing 2,417,472,689 shares	- -	- -	- -	- -	- -
NYSE 452.16 (3)	Broadridge maintains all vote instruction forms that are returned with the beneficial shareholders' voting instructions.	Prog. Procedure 10 Prog. Procedure 11  Prog. Procedure 16	16 legal proxy requests 150 telephone internet and electronic vote batch summary reports 500 vote inst. forms or proxy cards	- - -	- - -	- - -	- - -	- - -
NYSE 452.16 (4)	Broadridge maintains copies of all multiple client proxies sent to corporate issuers. Additionally, Broadridge retains copies of subscriber voting confirmations which inform subscribers of all their voting on each proxy job processed by Broadridge.	Prog. Procedure 15  Prog. Procedure 17(a)  Prog. Procedure 20(e)	25 corp. issuers representing 991,352 positions and 2, 450,788,435 shares 23 sets of multi. client proxies 25 sets of multi. client proxies	- - -	- - -	- - -	- - -	- - -
NYSE 452.16 Par. 2	Broadridge maintains a record of all voting instructions received verbally or electronically.	Prog. Procedure 11	150 telephone internet and electronic vote batch summary reports	-	-	-	-	-
NYSE 452.20	Broadridge retains all proxy solicitation records for three years.	Prog. Procedure 20(a) Prog. Procedure 20(b) Prog. Procedure 20(c) Prog. Procedure 20 (d) Prog. Procedure 20(e) Prog. Procedure 21	25 original search letters 25 sets of material requests 25 sets of proxy materials 23 vote inst forms 25 sets of mult. client proxies 25 corp. issuers	- - - - - -	- - - - - -	- - - - - -	- - - - - -	- - - - - -

NYSE/SEC Proxy Rules	Broadridge Procedures	D&T Compliance Tests	Number of Items Tested	Total Number of Exceptions	Number of Exceptions External To Broadridge Control	Number of Exceptions Under Broadridge Control	
						Processing Error	Retrieval Problem
		(A)					
NYSE 453	Broadridge's multiple client proxies include the number of shares represented by each subscriber.	Prog. Procedure 15	25 corp. issuers representing 991,352 positions and 2,450,788,435 shares	-	-	-	-
		Prog. Procedure 17	25 sets of mult. client proxies	-	-	-	-
		Prog. Procedure 17(a)	23 sets of mult. client proxies	-	-	-	-
		Prog. Procedure 19	23 name and address lists representing 2,417,472,689 shares	-	-	-	-
NYSE 454	Not applicable. Subscribers are responsible for providing Broadridge with a proper list of beneficial shareholders. Subscribers are permitted to adjust these lists as necessary.	Not applicable					
NYSE 455	Not applicable. Broadridge services both member organizations and nominees.	Not applicable					
NYSE 456	Not applicable, except that any demands or requests for the member firm to represent beneficial owners in requesting policy changes will be immediately delivered to the member firm.	Not applicable					
NYSE 457	Not applicable. Broadridge does not participate directly in any proxy contests. Broadridge will only serve in distributing materials and tabulating votes.	Not applicable					
NYSE 458	Not applicable. See comments regarding Rule 457.	Not applicable					
NYSE 459	Not applicable. See comments regarding Rule 457.	Not applicable					

NYSE/SEC Proxy Rules	Broadridge Procedures	D&T Compliance Tests (A)	Number of Items Tested	Total Number of Exceptions	Number of Exceptions External To Broadridge Control	Number of Exceptions Under Broadridge Control Processing Error	Retrieval Problem
NYSE 460	Not applicable. See comments regarding Rule 457.	Not applicable					
NYSE 451-464	Rules are no longer in effect.	Not applicable					
NYSE 465	Broadridge processes interim reports in accordance with the specifications of this rule.	Prog. Procedure 21	25 corp. issuers	-	-	-	-
NYSE 14b-1(a)	Upon receipt of record date notification from the corporate issuer, appointed agents or other sources, Broadridge will canvas its client base immediately, and forward to the appropriate designee the actual material requirements as of that date. This process will be confirmed by the actual requirements as of the actual record date.	Prog. Procedure 20(a)	25 original search letters	-	-	-	-
		Prog. Procedure 20(b)	25 material requests	-	-	-	-
NYSE 14b-1(b)	Broadridge's policy is to mail all materials to beneficial shareholders within five days of receipt.	Prog. Procedure 22	19 corp. issuers	-	-	-	-
NYSE 14b-1(b)(1)	Broadridge's policy is to mail an initial material request form to the corporate issuer within seven business days of receipt of a search letter or other appropriate documentation.	Prog. Procedure 23	25 corp. issuers	-	-	-	-
SEC 34-56135	For the issuer which selected Notice and Access, Broadridge obtains the proper forms showing that the issuer elected Notice and Access.	Prog. Procedure 24(a)	5 corp. issuers	-	-	-	-
SEC 34-56135 I.L.A.1	Broadridge's policy is to compare the quantity of Notice's ordered and printed by Broadridge to the quantity of Notices mailed noting that Broadridge printed Notice amounts equal to or greater than the amount mailed.	Prog Procedure 3	5 corp. issuers	-	-	-	-

NYSE/SEC Proxy Rules	Broadridge Procedures	D&T Compliance Tests	Number of Items Tested	Total Number of Exceptions	Number of Exceptions Under Broadridge Control		
					Number of Exceptions To Broadridge Control	Processing Error Retrieval Problem	
SEC 34-56135 II.A.1	Broadridge mails the Notice to beneficial shareholders at least 40 calendar days prior to the shareholder meeting date.	Prog Procedure 26 (A)	5 corp. issuers	-	-	-	-
SEC 34-56135 II.A.1.a & II.A.2.a	For Notice and Access jobs, all required information is included on the Notice including the meeting date, website, annual report request, identification of matters, etc.	Prog Procedure 24(b)	5 corp. issuers	-	-	-	-
SEC 34-56135 II.A.1.e	For Notice and Access jobs, the proxy materials must be mailed within 3 business days of the request by the beneficial shareholder.	Prog Procedure 27	3 corp. issuers	-	-	-	-

**EXHIBIT 2**

**ENGAGEMENT LETTER**

June 22, 2009

Mr. Robert Schifellite  
President, Investor Communication Solutions  
Broadridge Investor Communications Solutions, Inc.  
51 Mercedes Way  
Edgewood, New York 11717

Dear Mr. Schifellite:

This letter confirms the engagement of Deloitte & Touche LLP (“D&T” or “we” or “us”) to perform certain agreed-upon procedures to assist Broadridge Financial Solutions, Inc., Investor Communication Solutions (the “Company” or “Broadridge”) in connection with the Company’s, the Steering Committee’s, and Existing Customers’ (as defined below) evaluation of the Company’s compliance with certain aspects of Rule 342 of the New York Stock Exchange (“NYSE”), as well as similar compliance rules of other stock exchanges and the United States Securities and Exchange Commission (“SEC”) during the period July 1, 2008 through June 30, 2009.

This engagement to perform agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, subject to the terms and conditions set forth herein. The specific procedures that D&T is to perform are set forth in the attached Program of Agreed-Upon Procedures (Exhibit 1). These procedures have been established based on discussions with you, and the sufficiency of the procedures is solely the responsibility of the Company and the Steering Committee as discussed below. The Steering Committee consists of representatives of the Company’s bank, brokerage, institutional investor, and corporate issuer user groups (the “Steering Committee”). Those bank, brokerage, institutional investor, and corporate issuer user groups represented by the Steering Committee are defined for the purposes of this engagement letter as “Existing Customers” and also as specified parties to this engagement. In addition, these procedures may be changed or modified by mutual agreement among the Company, the Steering Committee on behalf of itself and on behalf of the Existing Customers, and D&T if, for example, unforeseen circumstances arise. D&T will promptly discuss any such circumstances with the Company and the Steering Committee and, likewise, the Company agrees to promptly notify D&T if modifications to the procedures are requested.

### **Acknowledgments and Agreements**

The Company specifically acknowledges and agrees to the following:

- The performance of the agreed-upon procedures will not constitute an examination conducted in accordance with attestation standards, the objective of which is the expression of an opinion on the Company’s compliance with certain proxy rules of the NYSE, as well as similar compliance rules of other stock exchanges and the SEC. Therefore, D&T will not be in a position to express, and will not express, an opinion, or any other form of assurance, with respect to any matters (including, without limitation, the Company’s compliance with certain proxy rules of the NYSE, as well as compliance rules of other stock exchanges, and the SEC), as a result of performing the agreed-upon procedures.

The agreed-upon procedures that D&T is to perform at the request of the Company, and with the agreement of D&T, are limited in nature and do not comprehend all matters relating to the Company's compliance with certain proxy rules that might be pertinent or necessary in the Company's, Existing Customers', and the Steering Committee's evaluation of the Company's compliance with certain proxy rules. Accordingly, the procedures should not be taken to supplant other inquiries and procedures that the Company, the Existing Customers, and the Steering Committee should undertake for the purpose described above.

- D&T's report will not extend to any financial statements of the Company, taken as a whole, or its internal control for any date or period.
- The nature, scope, and design of the agreed-upon procedures that D&T is requested to perform are solely the responsibility of the Company, the Steering Committee on behalf of itself and on behalf of the Existing Customers. Furthermore, D&T has no responsibility to advise the Company, Existing Customers or the Steering Committee of other procedures that might be performed and makes no representations as to the sufficiency of such procedures for the purposes of the Company, the Existing Customers, or the Steering Committee.
- D&T's responsibility is limited to performing the procedures specified and agreed to, and to reporting the resulting findings, subject to the limitations contained herein, and D&T's engagement cannot be relied on to disclose significant deficiencies, material weaknesses, or fraud should they exist. In addition, D&T's engagement cannot be relied on to disclose errors, other than those errors that may be reported as findings in connection with the application of the agreed-upon procedures that D&T is to perform hereunder. D&T has no responsibility for updating the procedures performed or for performing any additional procedures.
- The Company shall be solely responsible for the design and operation of effective internal control (including, without limitation, effective internal control over the Company's compliance with certain proxy rules of the NYSE, as well as similar compliance rules of other stock exchanges, and the SEC) and for complying with all applicable laws and regulations.
- The Company shall be solely responsible for providing accurate and complete information requested by D&T. D&T has no responsibility for the accuracy or completeness of the information provided by or on behalf of the Company.
- Immediately prior to the completion of this engagement, D&T will request that the Company's management provide D&T with a representation letter acknowledging management's responsibility for the Company's compliance with certain proxy rules of the NYSE, as well as similar compliance rules of other stock exchanges and the SEC and confirming certain representations made to D&T during the engagement.
- Should D&T determine that significant restrictions are being placed on the performance of the agreed-upon procedures by the Company or the Steering Committee, including, without limitation, the failure of management of the Company to provide D&T with a management representation letter that D&T determines to be satisfactory, D&T shall be entitled to withdraw from this engagement.

## PREFACE

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Effective January 1, 2008, the Securities and Exchange Commission (“SEC”) adopted amendments to the proxy rules that would require all issuers and other soliciting persons to furnish proxy materials to shareholders by posting them on an Internet Web site and providing shareholders with notice of the electronic availability of the proxy materials (referred to as “Notice and Access”). The Notice and Access model allows an issuer to select either of the following two options to provide proxy materials to shareholders: (1) the “Notice Only Option”; and (2) the “Full Set Delivery Option.”

Under the Notice Only Option, the issuer must post its proxy materials on an Internet Web site and send a “Notice” to shareholders to inform them of the electronic availability of the proxy materials at least 40 days before the shareholders meeting. If an issuer follows this option, it must respond to shareholder requests for copies, including a shareholder’s permanent request for paper or e-mail copies of proxy materials for all shareholder meetings.

Under the Full Set Delivery Option, an issuer can deliver a full set of proxy materials to shareholders, along with the Notice. An issuer need not prepare and deliver a separate Notice if it incorporates all of the information required to appear in the Notice into its proxy statement and proxy card, and it need not respond to requests for copies as required under the Notice Only Option.

### PROGRAM OF AGREED-UPON PROCEDURES

#### NYSE Rule / SEC Rule

- |  |  |
|--|--|
| NYSE 451(a)<br>NYSE 451.60                               | 1. For each of the quarters ended September 30, December 31, March 31, and June 30, select 3 corporate issuers from the Company's Meeting Date Report or other appropriate Company records, having a meeting date during the test period July 1, 2008 to June 30, 2009. From an outside source, select 13 corporate issuers having a meeting date during the test period. (Include two proxy contests, two off-record jobs and at least three Notice and Access jobs). Of the 25 total corporate issuers selected, 10 should be listed on the New York Stock Exchange, 5 should be listed on the American Stock Exchange, 5 should be listed on the NASDAQ, and 5 should be over the counter listings. |
| NYSE 451(a)<br>NYSE 451.60<br><br>SEC 34-56135<br>II.A.2 | 2. For each corporate issuer selected in Procedure 1 above which was not involved in a proxy contest or which did not elect the Notice Only Option, compare the quantity of materials requested and the quantity of materials received to the quantity of items processed (mailed) per the beneficial shareholder name and address list noting that Broadridge received material amounts greater than or equal to the amount processed.  |
| NYSE 451(a)<br>NYSE 451.60                               | 3. For each corporate issuer selected in Procedure 1 above who elected to send a Notice, compare the quantity of Notices ordered and printed by Broadridge to the  |

- SEC 34-56135  
II.A.1
- quantity of Notices mailed noting that Broadridge printed Notice amounts equal to or greater than the amount mailed.
4. For each corporate issuer selected in Procedure 1 above which was not involved in a proxy contest or which did not elect the Notice Only Option, ascertain the following:
- NYSE 451(b)(1)  
NYSE 452 Par. 3
- a. If mailing of the proxy material took place less than 15 days prior to the meeting date, ascertain that voting was not recorded unless a vote instruction form was received from the beneficial shareholder.
- NYSE 451(b)(1)  
NYSE 452 Par. 3  
NYSE 452.12
- b. In those cases where the material was mailed at least 15 days prior to the meeting date, ascertain that in the absence of instructions from the beneficial shareholders, the Company voted in favor of management on all discretionary proposals for those subscribers who have granted the Company Power of Attorney.
- NYSE 451.10
5. Ascertain the materials sent for each job selected in Procedure 1 above. All mailings should include an annual report and proxy material except for corporate issuers who elected the Notice Only Option.
- NYSE 451(b)(1)  
NYSE 451.20
6. For each corporate issuer selected in Procedure 1 above which was not involved in a proxy contest, ascertain the original proxy instructions received from the corporate issuer. Ascertain that all required information appears on the vote instruction form ("VIF") provided by the Company.
- NYSE 451.50
7. For each corporate issuer selected in Procedure 1 above, ascertain that the material was sent via first class mail unless other instructions were received from the corporate issuer.
- NYSE 452 Par. 1
8. Obtain an image of the Power of Attorney in the Company's correspondence files for all brokers/bank nominees added to the Company's client list during the year.
- NYSE 452 Par. 1
9. If a legal proxy was requested on any of the VIF images selected in Procedure 16 below, ascertain no vote was recorded for the beneficial shareholder on the name and address list.
- NYSE 452 Par. 1  
NYSE 452.16(3)
10. For each corporate issuer selected in Procedure 1 above which was not involved in a proxy contest, select one beneficial shareholder (if any) from the name and address list who requested a legal proxy. Ascertain that the beneficial shareholder requested a legal proxy by reference to the VIF image.
- NYSE 452 Par. 1  
NYSE 452.16(3)  
NYSE 452.16  
NYSE Par.2
11. For 15 of the corporate issuers selected in Procedure 1 above, which were not involved in a proxy contest, select up to 10 positions (if available) from the beneficial shareholder name and address list, which were voted via telephone, internet or electronically voted. For each VIF selection, obtain the telephone, internet or electronic vote batch summary report, and agree the control number, date vote received and voting instructions from such report to the name and

address list.

- NYSE 451(b)(1)  
NYSE 451.20  
NYSE 452 Par. 3  
NYSE 452.11  
NYSE 452.12
- 12.** For each corporate issuer selected in Procedure 1 above, which was not involved in a proxy contest, by reference to the library copy of the proxy materials and NYSE Rule 452.11, NYSE bulletins, e-mail documentation provided by the NYSE or prior precedence set by NYSE as indicated in previously issued bulletins or e-mail correspondence from the NYSE, ascertain votes are categorized as discretionary or nondiscretionary on the VIF.
- NYSE 451(b)(1)  
NYSE 452.12
- 13.** For each corporate issuer selected in Procedure 1 above, review the library copy of the VIF and one multiple client proxy to ascertain the multiple client proxy categorizes all proposals as discretionary or nondiscretionary as shown on the VIF.
- NYSE 452.13
- 14.** Where a proxy contest develops, ascertain that all voting is at the direction of the beneficial holders (i.e., no discretionary voting reported).
- NYSE 452 Par. 1  
NYSE 452.16(4)  
NYSE 453
- 15.** For each corporate issuer selected in Procedure 1 above, compare the voting summary by broker/bank nominee as reflected on the beneficial shareholder name and address list (or equivalent for proxy contests) to the multiple client proxies (or equivalent for proxy contest). This procedure should be performed on a 100% basis for seven of the corporate issuers selected in Procedure 1 above with less than 30,000 positions, including both proxy contests. For the remaining corporate issuers in Procedure 1 above, this procedure should be performed for twenty brokers/bank nominees.
- NYSE 452 Par. 1  
NYSE 452.16(3)
- 16.** For each corporate issuer selected in Procedure 1 above, select twenty beneficial shareholders who returned their VIFs (or proxy cards for proxy contests) prior to the meeting date or cutoff date from the beneficial shareholder name and address list (or equivalent for proxy contests). Compare the VIFs image (or proxy cards for proxy contests) to the beneficial shareholder name and address lists (or equivalent for proxy contests) to ascertain that all voting instructions have been recorded. Also, for proxy contests, obtain the proxy cards and note execution and signature. Finally, ascertain that all VIFs selected have been assigned sequence numbers to allow numerical control of their processing, and that they are dated as received before they are filed by batch and sequence number.
- NYSE 452 Par. 1  
NYSE 452.14  
NYSE 453
- 17.** Ascertain that all required multiple client proxies are produced and that all proxies except the first are marked supplemental. The number and timing of proxies to be issued are based upon the date the material was mailed relative to the meeting date.
- NYSE 452 Par. 1  
NYSE 452.16(4)  
NYSE 453
- 17a.** For each corporate issuer selected in Procedure 1 above which was not involved in a proxy contest, add the daily voting totals for ten brokers/bank nominees on each multiple client proxy issued and agree the summation of such totals to the "summary vote to date" reported on the last multiple client proxy issued which includes the broker/bank nominee selected.

- 18.** For each corporate issuer selected in Procedure 1 above, ascertain the proxy materials received by Broadridge as well as the names of all the persons receiving proxy materials, the number of shares they own and the sequence number of each vote instruction form issued from the following documentation:
- NYSE 452.16(1) *a.* The material receipt log.
  - NYSE 452.16(2) *b.* Beneficial shareholder name and address list (or equivalent for proxy contests)
- 19.** For each corporate issuer selected in Procedure 1 above, which was not involved in a proxy contest, compare the number of shares owned as indicated on the beneficial shareholder name and address list to total number of shares on the summation of all multiple client proxies issued for the job.
- 20.** For all corporate issuers selected in Procedure 1 above, obtain the following:
- NYSE 452.20  
NYSE 14b-1(a) *a.* Original search cards or Broadridge Financial Solutions, Inc. Nobo Request Reports or equivalent.
  - NYSE 452.20  
NYSE 14b-1(a) *b.* Preliminary Material Estimate/Material Request and/or Record Date Confirmation / Material request letters sent to the corporate issuer.
  - NYSE 451.10  
NYSE 452.20 *c.* Materials sent (including the Notice for Notice and Access jobs).
  - NYSE 451.20  
NYSE 452.20 *d.* VIF form from the library (not applicable to proxy contests).
  - NYSE 452.16(4)  
NYSE 452.20 *e.* All multiple client proxies issued (or equivalent for proxy contests).
- 21.** For all corporate issuers selected in Procedure 1 above, obtain the library files noting current year proxy mailings and the appropriate interim mailings are present.
- 22.** For each corporate issuer selected in Procedure 1 above which did not elect the Notice Only Option, compare the date of mailing to the beneficial shareholders with the date of receipt of material by the Company, noting any unusual lag. Materials must be mailed within five business days of receipt in order to comply with SEC proxy solicitation rules.
- 23.** For each corporate issuer selected in Procedure 1 above, compare the date of mailing of the Preliminary Material Estimate/Material Request and/or Record Date Confirmation/ Material Request letter to the corporate issuer, with the date of receipt of the search letter or other appropriate source documentation, noting any unusual lag. The initial Preliminary Material Estimate/Material Request and/or Record Date Confirmation / Material Request letter must be mailed within seven business days of receipt of the search cards or Broadridge Financial Solutions, Inc. Nobo Request Reports or equivalent in order to comply with SEC

SEC 34-56135

SEC 34-56135  
II.A.1.a.  
II.A.2.a

NYSE 451(b)(1)  
NYSE 451.20

SEC 34-56135  
II.A.1

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SEC 34-56135  
II.A.1.e

27. For  
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proxy solicitation rules.

- SEC 34-56135
24. For each corporate issuer who elected Notice and Access selected in Procedure 1 above, ascertain the following:
- a. The corporate issuer elected Notice and Access by obtaining a screenshot from the Proxy Plus system indicating the corporate issuer's election.
  - b. All required information appears on the Notice in accordance with the SEC Notice and Access rules (including logistics of shareholder meeting, a list of the materials available at the specified website, access to the voting instructions on the proxy card and instructions to request hard copy proxy materials).
- SEC 34-56135  
II.A.1.a.  
II.A.2.a.
- NYSE 451(b)(1)  
NYSE 451.20
25. For each corporate issuer who elected Notice and Access selected in Procedure 1 above, ascertain that all required information on the VIF has been included in the voting instructions on the proxy card posted on the website specified on the Notice.
- SEC 34-56135  
II.A.1
26. For each corporate issuer selected in Procedure 1 above who elected to send a Notice to beneficial shareholders, ascertain the mailing of the Notice to beneficial shareholders took place at least 40 calendar days prior to the shareholder meeting date.
- SEC 34-56135  
II.A.1.e
27. For each corporate issuer selected in Procedure 1 above who elected to send a Notice to beneficial shareholders, randomly select 3 corporate issuers. For the three corporate issuers selected, obtain the Proxy Plus Fulfillment History screen and select 10 beneficial shareholders who requested hard copy materials, if applicable. Compare the date of the mailing of the proxy materials to the beneficial shareholder to the date of receipt of the beneficial shareholder's request for the hard copy of the proxy materials, noting that such mailing took place within 3 business days of receipt of the shareholder's request.

**Deloitte**®

**Broadridge Financial Solutions, Inc.**  
**Investor Communication Solutions**

***Independent Accountants' Report  
On Applying Agreed-Upon Procedures  
Relating to Measurement Criteria***

***December 29, 2008 – June 26, 2009***

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Mr. Robert Schifellite  
President, Investor Communication Solutions  
Broadridge Financial Solutions, Inc.  
51 Mercedes Way  
Edgewood, New York 11717

This report is written to comply with the terms of our engagement with Broadridge Financial Solutions, Inc., Investor Communication Solutions ("Broadridge" or the "Company"), as outlined in our attached letter to you dated June 22, 2009 (the "Engagement Letter").

### Purpose of Engagement

On December 1, 2000, the Company and representatives of the Company's bank, brokerage, institutional investor, and corporate issuer user groups (collectively the "Steering Committee") amended its previous measurement criteria (dated February 6, 1996) and agreed-upon seven criteria and a rating system to be utilized to measure performance. The seven criteria relate to: (1) generation of material requests; (2) distribution of vote information forms and related proxy materials to beneficial shareholders; (3) electronic distribution of vote information and related proxy materials to beneficial owners; (4) handling of material shortages; (5) vote tabulating; (6) electronic tabulation of vote instructions; and (7) vote reporting. These criteria and the related rating system are attached as Exhibit 1 to the Engagement Letter.

We have performed the agreed-upon procedures set forth in Exhibit 3 to the Engagement Letter, solely to assist you in evaluating the Company's reporting of its performance under the criteria specified above during the period from December 29, 2008 through June 26, 2009. The Company's report on its cumulative results under these performance criteria during the period from December 29, 2008 through June 26, 2009, is included in Exhibit 2 to the Engagement Letter. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The management of the Company is responsible for establishing and maintaining its operating system and the internal controls inherent in such system. One of the objectives of internal controls is to provide reasonable, but not absolute, assurance that the procedures are operating as intended by management. The concept of reasonable assurance recognizes that the cost of an internal control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

There are inherent limitations that should be recognized in considering the potential effectiveness of internal control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures, the effectiveness of which depends upon segregation of duties, can be circumvented intentionally by management with respect either to the execution and recording of transactions or with respect to the estimates and judgments required. Further, projection of any evaluation of controls to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions and that the degree of compliance with the procedures may deteriorate.

Our performance of the agreed-upon procedures, which was done for the purpose set forth in the second paragraph of this section of this report, was not for the expression of an opinion on internal control. Accordingly, we do not express such opinion and our report will not satisfy any regulatory, contractual, or other requirements for a report on internal control. Furthermore, our engagement was not designed to disclose defalcations or other similar irregularities should there be any. The measurement criteria and related rating system apply only to the Company's performance and do not apply to the performance and/or responsiveness of subscribers, corporate issuers, or others involved in the proxy voting process. Accordingly, our procedures were limited to the operating system and related controls and procedures of the Company and did not extend to external procedures performed by subscribers, corporate issuers and others involved in the proxy voting process. If additional procedures or an examination of the Company's internal control structure had been performed, other matters might have come to our attention which would have been reported to you.

### **Procedures and Findings**

As a result of the performance of the agreed-upon procedures, we did not identify any instance where the Company misreported its performance rating as defined in the measurement criteria shown in Exhibit 1 to the Engagement Letter.

This report only addresses exceptions noted during the performance of our agreed-upon procedures that directly affect the Company's reporting of its performance under the measurement criteria as reflected in the cumulative report for the period from December 29, 2008 through June 26, 2009, which is attached as Exhibit 2 to the Engagement Letter. Therefore, any exceptions noted which did not impact the ratings reflected in the Company's cumulative report are not reported here.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the Company's compliance as it relates to the operating performance under the Measurement Criteria Agreed Upon by the Company and the Steering Committee. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We understand that our report may be provided to any member of the management or of the board of directors of the Company, all members of the Steering Committee or an institution, bank, broker, organization or corporate issuer who is represented by the Steering Committee, including the American Society of Corporate Secretaries. This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

*Deloitte + Touche LLP*

November 3, 2009

**ENGAGEMENT LETTER**

June 22, 2009

Mr. Robert Schifellite  
President, Investor Communication Solutions  
Broadridge Investor Communication Solutions, Inc.  
51 Mercedes Way  
Edgewood, New York 11717

Dear Mr. Schifellite:

This letter confirms the engagement of Deloitte & Touche LLP (“D&T” or “we” or “us”) to perform certain agreed-upon procedures to assist Broadridge Financial Solutions, Inc., Investor Communication Solutions (the “Company” or “Broadridge”), in connection with the Company, Steering Committee, and Existing Customers (as defined below) evaluation of the Company’s reporting of its performance under the measurement criteria noted below for the period from December 29, 2008 through June 26, 2009 (*Exhibit 2*).

On December 1, 2000, the Company and its steering committee, consisting of 12 representatives of the Company’s bank, brokerage, institutional investor, and corporate issuer user groups (the “Steering Committee”) amended its previous criteria (dated February 6, 1996) and agreed upon seven criteria and the related system to be utilized to measure the Company’s operating performance (“Measurement Criteria”). These criteria and the related rating system are defined in the attached document entitled, “Measurement Criteria as Agreed Upon by the Steering Committee” (*Exhibit 1*). The seven criteria relate to: (1) generation of material request; (2) distribution of vote information forms and related proxy materials to beneficial shareholders; (3) electronic distribution of vote information and related proxy materials to beneficial owners; (4) handling of material shortages; (5) vote tabulating; (6) electronic tabulation of vote instructions; and (7) vote reporting.

Those bank, brokerage, institutional investor, and corporate issuer user groups represented by the Steering Committee are defined for the purposes of this engagement letter as “Existing Customers” and also as specified parties to this engagement.

This engagement to perform agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, subject to the terms and conditions set forth herein. The specific procedures that D&T is to perform are set forth in the attached Program of Agreed-Upon Procedures (*Exhibit 3*). These procedures have been established based on discussions with you, and the sufficiency of the procedures is solely the responsibility of the Company and the Steering Committee, as discussed below. These procedures may be changed or modified by mutual agreement among the Company, the Steering Committee, and D&T if, for example, unforeseen circumstances arise. D&T will promptly discuss any such circumstances with the Company and the Steering Committee and, likewise, the Company and Steering Committee agree to promptly notify D&T if modifications to the procedures are requested.

## Acknowledgment and Agreements

The Company specifically acknowledges and agrees to the following:

- The performance of the agreed-upon procedures will not constitute an examination conducted in accordance with attestation standards, the objective of which is the expression of an opinion on the Company's reporting of its operating performance under the Measurement Criteria. Therefore, D&T will not be in a position to express, and will not express, an opinion, or any other form of assurance, with respect to any matters (including, without limitation, the Company's reporting of its operating performance under the Measurement Criteria), as a result of performing the agreed-upon procedures.
- The agreed-upon procedures that D&T is to perform at the request of the Company, and with the agreement of D&T, are limited in nature and do not comprehend all matters relating to the Company's reporting of its operating performance under the Measurement Criteria that might be pertinent or necessary in the Company's, Existing Customers' and Steering Committee's evaluation of the Company's compliance with the terms of the Measurement Criteria. Accordingly, the procedures should not be taken to supplant other inquiries and procedures that the Company, the Existing Customers and the Steering Committee should undertake for the purpose described above.
- D&T's report will not extend to any financial statements of the Company, taken as a whole, or its internal control for any date or period.
- The nature, scope, and design of the agreed-upon procedures that D&T is requested to perform are solely the responsibility of the Company, the Steering Committee on behalf of the Existing Customers and the Steering Committee. Furthermore, D&T has no responsibility to advise the Company, Existing Customers or the Steering Committee of other procedures that might be performed and makes no representations as to the sufficiency of such procedures for the purposes of the Company, the Existing Customers or the Steering Committee.
- D&T's responsibility is limited to performing the procedures specified and agreed to, and to reporting the resulting findings, subject to the limitations contained herein, and D&T's engagement cannot be relied on to disclose significant deficiencies, material weaknesses, or fraud should they exist. In addition, D&T's engagement cannot be relied on to disclose errors, other than those errors that may be reported as findings in connection with the application of the agreed-upon procedures that D&T is to perform hereunder. D&T has no responsibility for updating the procedures performed or for performing any additional procedures.
- The Company shall be solely responsible for the design and operation of effective internal control (including, without limitation, effective internal control over the Company's compliance with the Measurement Criteria) and for complying with all applicable laws and regulations.
- The Company shall be solely responsible for providing accurate and complete information requested by D&T. D&T has no responsibility for the accuracy or completeness of the information provided by, or on behalf of, the Company.
- Immediately prior to the completion of this engagement, D&T will request that the Company's management provide D&T with a representation letter acknowledging management's responsibility for the Company's compliance with the Measurement Criteria and confirming certain representations made to D&T during the engagement.

- Should D&T determine that significant restrictions are being placed on the performance of the agreed-upon procedures by the Company or the Steering Committee, including, without limitation, the failure of management to provide D&T with a management representation letter that D&T determines to be satisfactory, D&T shall be entitled to withdraw from this engagement.
- Except as set forth below, the Company agrees that any report issued by D&T hereunder will not be used by, or circulated, quoted, disclosed or distributed to, nor will reference to such report or D&T's engagement hereunder be made to, anyone who is not a member of management of the Company, all members of the Steering Committee, Existing Customers who are represented by the Steering Committee and/or their designated representatives. Notwithstanding the foregoing, the Company may provide access to such report to regulatory authorities having jurisdiction over the business or financial affairs of the Company solely to the extent requested by such regulatory authority. The Company also agrees that it will not use our report for general marketing or other sales activity and agrees that if the Company would like to add a prospective customer as a non-participant party to our report, to contact us to have the appropriate agreements signed by the necessary parties before sharing our report with such prospective customers.
- Notwithstanding the foregoing, the Company may distribute our report to Existing Customers (as specified parties to the report) as specified below. The Company agrees that (1) D&T will be required to provide the company with a certain number of printed reports that can be distributed to Existing Customers; and (2) the disclaimer language set forth in *Appendix C* will be conspicuously included on the cover of any such report that the Company manually distributes to such Existing Customers. The Company agrees that it will only distribute our report to such Existing Customers as set forth in this paragraph.

### *Audit Committee's Responsibility*

As the independent registered public accounting firm of the Company, we acknowledge that the Audit Committee is directly responsible for the appointment, compensation, and oversight of our work. You have advised us that the services to be performed under this engagement letter, including, where applicable, the use by D&T of affiliates or related entities as subcontractors in connection with this engagement, have been approved by the Audit Committee in accordance with the Audit Committee's established preapproval policies and procedures.

### *Fees*

Our fees are based on the amount of time required at various levels of responsibility, at our standard billing rates, plus expenses, payable upon presentation of our invoices.

\* \* \* \* \*

This engagement letter, including the exhibits, appendices, and supplements attached hereto and made a part hereof, constitutes the entire agreement between the parties with respect to this engagement and supersedes all other prior and contemporaneous agreements or understandings between the parties, whether written or oral, relating to this engagement.

If the above terms are acceptable to you, and the services described are in accordance with your understanding, please sign the copy of this letter in the space provided and return it to us.

Yours truly,

Deloitte + Touche LLP

*Accepted and Agreed To By Broadridge Investor Communication Solutions, Inc:*

By: \_\_\_\_\_



**Robert Schifellite**  
President  
Investor Communication Solutions

Title: \_\_\_\_\_

Date: \_\_\_\_\_

June 26, 2009

cc: Audit Committee of Broadridge Investor Communication Solutions, Inc.

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# APPENDIX A

## GENERAL BUSINESS TERMS

### Broadridge Investor Communication Solutions, Inc. Engagement Letter Dated June 22, 2009

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#### **1. Limitation On Liability, Release, and Indemnification**

- (a) The Company agrees that D&T (as defined below) and its personnel will not be liable to the Company for any claims, liabilities, or expenses relating to this engagement ("Claims") for an aggregate amount in excess of the fees paid by the Company to D&T pursuant to this engagement, except to the extent finally judicially determined to have resulted primarily from the bad faith or intentional misconduct of D&T. In no event will D&T or its personnel be liable for consequential, special, indirect, incidental, punitive or exemplary loss, damage, or expense relating to this engagement.
- (b) The Company agrees to release and indemnify D&T and its personnel from all Claims attributable to any misrepresentation by the Company's management.
- (c) The Company agrees to indemnify and hold harmless D&T and its personnel from all Claims, except to the extent finally judicially determined to have resulted primarily from the bad faith or intentional misconduct of D&T.
- (d) The provisions of this Paragraph 1 will apply to the fullest extent of the law, whether in contract, statute, tort (such as *negligence*), or otherwise. In circumstances where all or any portion of the provisions of this Paragraph 1 are finally judicially determined to be unavailable, D&T's aggregate liability for any Claim shall not exceed an amount that is proportional to the relative fault that D&T's conduct bears to all other conduct giving rise to such Claim.

- 2. **Independent Contractor.** It is understood and agreed that D&T is an independent contractor and that D&T is not, and will not be considered to be, an agent, partner, fiduciary, or representative of the Company or the other specified parties.
- 3. **Survival and Interpretation.** The agreements and undertakings of the Company contained in the engagement letter, together with the exhibits, appendices and supplement to the engagement letter including these terms (the "engagement letter"), will survive the completion or termination of this engagement. For purposes of the provisions in the "Acknowledgments and Agreements" section of the engagement letter and these terms, "D&T" shall mean Deloitte & Touche LLP and its subsidiaries; to the extent that, as a subcontractor, they agree to provide any of the services under or in connection with the engagement letter, the member firms of Deloitte Touche Tohmatsu, and the affiliates of Deloitte & Touche LLP and such member firms; and, in all cases, any successor or permitted assignee.
- 4. **Assignment and Subcontracting.** Except as provided below, no party may assign, transfer, or delegate any of its rights or obligations relating to this engagement (including, without limitation, interests or Claims) without the prior written consent of the other party. The Company hereby consents to D&T subcontracting a portion of its services under this engagement to any affiliate or

related entity, whether located within or outside of the United States. Professional services performed hereunder by any of D&T's affiliates or related entities shall be invoiced as professional fees, and any related expenses shall be invoiced as expenses, unless otherwise agreed.

5. **Severability.** If any term of the engagement letter is determined to be invalid or unenforceable, such term shall not affect the other terms hereof or thereof, but such invalid or unenforceable term shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth herein and therein.
  
6. **Force Majeure.** No party shall be deemed to be in breach of the engagement letter as a result of any delays or non-performance directly or indirectly resulting from circumstances or causes beyond its reasonable control, including, without limitation, fire, epidemic or other casualty, act of God, strike or labor dispute, war or other violence, or any law, order or requirement of any governmental agency or authority
  
7. **Dispute Resolution.** Any controversy or claim between the parties arising out of or relating to the engagement letter or this engagement (a "Dispute") shall be resolved by mediation or binding arbitration as set forth in the Dispute Resolution Provision attached hereto as *Appendix B* and made a part hereof.

**DISPUTE RESOLUTION PROVISION****Broadridge Investor Communication Solutions, Inc.  
Engagement Letter Dated June 22, 2009**

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This Dispute Resolution Provision sets forth the dispute resolution process and procedures applicable to the resolution of Disputes and shall apply to the fullest extent of the law, whether in contract, statute, tort (such as *negligence*), or otherwise.

**Mediation:** All Disputes shall be first submitted to nonbinding confidential mediation by written notice to the parties, and shall be treated as compromise and settlement negotiations under the standards set forth in the Federal Rules of Evidence and all applicable state counterparts, together with any applicable statutes protecting the confidentiality of mediations or settlement discussions. If the parties cannot agree on a mediator, the International Institute for Conflict Prevention and Resolution (“CPR”), at the written request of a party, shall designate a mediator.

**Arbitration Procedures:** If a Dispute has not been resolved within 90 days after the effective date of the written notice beginning the mediation process (or such longer period, if the parties so agree in writing), the mediation shall terminate and the Dispute shall be settled by binding arbitration to be held in New York, New York. The arbitration shall be solely between the parties and shall be conducted in accordance with the CPR Rules for Non-Administered Arbitration that are in effect at the time of the commencement of the arbitration, except to the extent modified by this Dispute Resolution Provision (the “Rules”).

The arbitration shall be conducted before a panel of three arbitrators. Each of the Company and Deloitte & Touche LLP shall designate one arbitrator in accordance with the “screened” appointment procedure provided in the Rules and the two party-designated arbitrators shall jointly select the third in accordance with the Rules. No arbitrator may serve on the panel unless he or she has agreed in writing to enforce the terms of the engagement letter (including its exhibits, appendices and supplements, the “engagement letter”) to which this Dispute Resolution Provision is attached and to abide by the terms of this Dispute Resolution Provision. Except with respect to the interpretation and enforcement of these arbitration procedures (which shall be governed by the Federal Arbitration Act), the arbitrators shall apply the laws of the State of New York (without giving effect to its choice of law principles) in connection with the Dispute. The arbitrators shall have no power to award damages inconsistent with the terms of the engagement letter, including, without limitation, the limitation on liability, release, and indemnification provisions contained in the engagement letter. The arbitrators may render a summary disposition relative to all or some of the issues, provided that the responding party has had an adequate opportunity to respond to any such application for such disposition. Discovery shall be conducted in accordance with the Rules.

All aspects of the arbitration shall be treated as confidential, as provided in the Rules. Before making any disclosure permitted by the Rules, a party shall give written notice to all other parties and afford such parties a reasonable opportunity to protect their interests. Further, judgment on the arbitrators’ award may be entered in any court having jurisdiction.

**Costs:** Each party shall bear its own costs in both the mediation and the arbitration; however, the parties shall share the fees and expenses of both the mediators and the arbitrators equally.

**DISCLAIMER TO GO ON FRONT COVER OF INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES RELATING TO THE COMPANY'S REPORTING OF ITS PERFORMANCE UNDER THE MEASUREMENT CRITERIA AS AGREED UPON BY THE STEERING COMMITTEE FOR DISTRIBUTION TO EXISTING CUSTOMERS**  
**Broadridge Investor Communication Solutions, Inc.**  
**Engagement Letter Dated June 22, 2009**

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**NOTICE:** You and your company have obtained this agreed-upon procedures report relating to Broadridge Financial Solutions, Inc., Investor Communication Solutions' compliance with certain measurement criteria as agreed upon by the Steering Committee, during the period December 29, 2008 through June 26, 2009, (this "Agreed-upon Procedures Report") as your company is an existing customer of Broadridge Financial Solutions, Inc. ("the Company"). This Agreed-upon Procedures Report is intended only to be used by members of management of the Company; a member of the Steering Committee; or a bank, brokerage, institutional investor, or corporate issuer user groups who are represented by the Steering Committee ("Existing Customers"), as stated in the independent accountants' report on applying agreed-upon procedures contained in this Agreed-upon Procedures Report, (collectively "Permitted Users"). Deloitte & Touche LLP ("Deloitte & Touche"), the entity that issued the independent accountants' report on applying agreed-upon procedures contained in this Agreed-upon Procedures Report, and its subcontractors, and their respective personnel shall have no liability, duties, responsibilities or other obligations to any prospective customers of the Company who may obtain this Agreed-upon Procedures Report, including, without limitation, in connection with any Permitted User's contemplation of contracting for services with the Company.

Deloitte & Touche, its subcontractors and their respective personnel have no responsibility for the Company's design and operation of effective internal control (including, without limitation, effective internal control over the Company's compliance with certain measurement criteria as agreed upon by the Steering Committee or for the Company's compliance with all applicable laws and regulations. Nor does Deloitte & Touche, its subcontractors and their respective personnel have any obligation to advise or consult with any entity regarding their use of this Agreed-upon Procedures Report. Any use of this Agreed-upon Procedures Report by a party other than a Permitted User ("Other User") is at the sole and exclusive risk of such Other User. This Agreed-upon Procedures Report is not to be further disclosed, distributed, quoted, or referenced to any third party or included or incorporated by reference in any other document, including any securities filings.

**EXHIBIT 1**

**BROADRIDGE INVESTOR COMMUNICATION SOLUTIONS  
MEASUREMENT CRITERIA AS AGREED UPON BY  
THE STEERING COMMITTEE – December 1, 2000**

Proxy Plus Function	Performance Criteria	Performance Rating
<p><b>* Generation of Material Request.</b></p> <p><i>Note: Search cards will be date and time stamped upon receipt. With implementation of processing via transmission reports documenting date and time received will be maintained.</i></p>	<p>* Over 95% - Four business days, or less from Search Date. The balance within 7 business days.</p> <p>* 85-94% - Five business days after Search Date. The balance within 7 business days.</p> <p>* 75-84% - Six business days after Search Date. The balance within 7 business days.</p> <p>* 100% - Seven business days after Search Date.</p> <p>* Material Request not generated within 7 business days, or incorrect.</p>	<p>Excellent</p> <p>Good</p> <p>Acceptable</p> <p>Poor</p> <p>Unacceptable</p>
<p><b>* Distribute Vote Information Forms (VIF), and related proxy materials to beneficial owners.</b></p> <p><i>Note: Performance criteria begins when all components of material are received including the proxy card. When rulings regarding the nature of proposals are needed, the criteria begins when the ruling is received or three business days after the record date, whichever is later, or when notice of the record date is received (which is at least 5 business days in advance of the record date) or when final approval is received.</i></p>	<p>* Over 85% - Processed within 3 business days of material receipt, (1<sup>st</sup> class and machinable mail), 4 business days (3<sup>rd</sup> class bulk and non-machinable mail) with remainder processed with 5 business days.</p> <p>* 75-84% - Processed with 4 business days (1<sup>st</sup> class and machinable) with remainder processed within 5 business days (including bulk).</p> <p>* All jobs processed in 5 business days (including bulk).</p> <p>* Jobs not processed within 5 business days (including bulk).</p>	<p>Excellent</p> <p>Good</p> <p>Acceptable</p> <p>Unacceptable</p>
<p><b>* Electronic Distribution of Vote Information and related proxy material to beneficial owners.</b></p>	<p>* Over 85% processed within 3 business days of receipt of material or URL address (whichever is later) with remainder processed within 5 business days.</p> <p>* Over 75-84% processed within 4 business days of receipt of material or URL address (whichever is later) with remainder processed within 5 business days.</p> <p>* All jobs processed within 5 business days.</p> <p>* Jobs not processed within 5 business days.</p>	<p>Excellent</p> <p>Good</p> <p>Acceptable</p> <p>Unacceptable</p>

**EXHIBIT 1**

**BROADRIDGE INVESTOR COMMUNICATION SOLUTIONS  
MEASUREMENT CRITERIA AS AGREED UPON BY  
THE STEERING COMMITTEE – December 1, 2000**

Proxy Plus Function	Performance Criteria	Performance Rating
<p>* <b>Handling of Material Shortages.</b></p> <p><i>Note:</i> Performance Criteria is based upon identification of shorts at completion of production.</p>	<p>* Over 95% of Material Shortages identified and follow-up calls made within 2 business days, with remainder of calls made with 3 business days.</p> <p>* 85-94% of Material Shortages identified and follow-up calls made (2/3 business day rule applied).</p> <p>* 75-84% of Material Shortages identified and follow-up calls made (2/3 business day rule applied).</p> <p>* 65-74% of Material Shortages identified and follow-up calls made (2/3 business day rule applied).</p> <p>* Below 65% of Material Shortages identified and follow-up calls made (2/3 business day rule applied).</p>	<p>Excellent</p> <p>Good</p> <p>Acceptable</p> <p>Poor</p> <p>Unacceptable</p>
<p>* <b>Vote Tabulating: (Includes Scannable, and Non-Scannable, and Off-Line Fax/Last Minute Voting).</b></p> <p><i>Note 1:</i> Criteria reflects votes received through the business day before meeting date. Votes received on the meeting date will be processed on a "best efforts" basis.</p> <p><i>Note 2:</i> All voting instructions over 50,000 shares will be verified for accuracy on the same day processed.</p> <p>**The remainder will be processed within 5 business days.</p>	<p>* Over 90% processed within 3 business days of receipt if share range is under 50,000 shares and meeting date is 19 days or greater; within 2 business days of receipt, if share range is under 50,000 shares and meeting date is between 6 and 18 days; same day if share range is greater than 50,000 shares or the meeting date is within 5 business days.**</p> <p>* 80-89% processed within 3 days of receipt if share range is under 50,000 shares and meeting date is 19 days or greater; within 2 business days of receipt, if share range is under 50,000 shares and meeting date is between 6 and 18 days; same day if share range is greater than 50,000 shares or the meeting date is with within 5 business days.**</p> <p>* 70-79% processed within 3 business days of receipt if share range is under 50,000 shares and meeting date is 19 days or greater; within 2 business days of receipt, if share range is under 50,000 shares and meeting date is between 6 and 18 days; same day if share range is greater than 50,000 shares or the meeting date is within 5 business days.**</p>	<p>Excellent</p> <p>Good</p> <p>Acceptable</p>

**EXHIBIT 1**

<b>BROADRIDGE INVESTOR COMMUNICATION SOLUTIONS                      MEASUREMENT CRITERIA AS AGREED UPON BY                      THE STEERING COMMITTEE – December 1, 2000</b>		
Proxy Plus Function	Performance Criteria	Performance Rating
	* 60-69% processed within 3 business days of receipt if share range is under 50,000 shares and meeting date is 19 days or greater; within 2 business days of receipt, if share range is under 50,000 shares and meeting date is between 6 to 18 days; same day if share range is greater than 50,000 shares or the meeting date is within 5 business days.**  * Less than 60% processed within 3 business days of receipt if share range is under 50,000 shares and meeting date is 19 days or greater; within 2 business days of receipt, if share range is under 50,000 shares and meeting date is between 6 to 18 days; same day if share range is greater than 50,000 shares or the meeting date is within 5 business days.**	Poor  Unacceptable
* <b>Electronic Tabulation of Vote Instructions.</b>	* Over 98% processed same day.  * 98% or less processed same day.	Excellent  Unacceptable
* <b>Vote Reporting.</b>	* Report Issuance time frames (routine): * 15 days & 3 days through Meeting date (if mailed 25 days or more before Meeting date). * 10 days & 3 days through Meeting date (if mailed 15-24 days before Meeting date).  * Report Issuance time frames (non-routine): * 15 days & 9 days through Meeting date (if mailed 25 days or more before Meeting date). * 10 days & 9 days through Meeting date (if mailed 15-24 days or more before Meeting date).  * 100% Report Issuance on-time. * Less than 100% & greater than 97% Report Issuance on-time. * 97% Report Issuance on-time. * Less than 97% Report Issuance on-time.	See Below  See Below  Excellent Good Acceptable Unacceptable

*Note: (on time is 7:00 a.m. est.).*

**BROADRIDGE INVESTOR COMMUNICATION SOLUTIONS  
MEASUREMENT CRITERIA AS AGREED UPON BY  
THE STEERING COMMITTEE – December 1, 2000**

Proxy Plus Function	Weight	Rating Point System
* <b>Generation of Material Request</b>	10%	<b>Excellent.....8</b>
* <b>Distribute Vote Information Forms (“VIF”) and Related Proxy Materials to Beneficial Owners</b>	25%	<b>Good .....6</b>
* <b>Electronic Distribution of Vote Information and Related Proxy Material to Beneficial Owners</b>	10%	<b>Acceptable.....4</b>
* <b>Handling of Material Shortages</b>	10%	<b>Poor .....2</b>
* <b>Vote Tabulating: (Includes Scannable, Non-Scannable and Off-line Fax/ Last Minute Voting)</b>	20%	<b>Unacceptable .....0</b>
* <b>Electronic Tabulation of Vote Instructions</b>	10%	
* <b>Vote Reporting</b>	15%	

**EXHIBIT 2**

**BROADRIDGE INVESTOR COMMUNICATION SOLUTIONS  
OVERALL MEASUREMENT CRITERIA RATING SUMMARY**

<u>Current Week Ended: June 26, 2009</u>						<u>Cumulative Results: Dec 29, 2008 – June 26, 2009</u>				
<u>Category</u>	<u>Weekly Total Points</u>	<u>Days Reported</u>	<u>Avg. Points for Week</u>	<u>Weight</u>	<u>Weighted Rating</u>	<u>Season To Date Total Points</u>	<u>Total Days Reported</u>	<u>Avg. Points For Season</u>	<u>Weight</u>	<u>Weighted Rating</u>
<b>Generation of Material Request</b>	40	5	8.00	10%	0.80	1000	125	8.00	10%	0.80
<b>Distribute Vote Information</b>	40	5	8.00	25%	2.00	987	125	7.90	25%	1.97
<b>Electronic Distribution of Vote Information</b>	40	5	8.00	10%	0.80	1000	125	8.00	10%	0.80
<b>Material Shortages</b>	40	5	8.00	10%	0.80	984	125	8.00	10%	0.80
<b>Vote Tabulating</b>	40	5	8.00	20%	1.60	1000	125	8.00	20%	1.60
<b>Electronic Tabulation of Vote Instructions</b>	40	5	8.00	10%	0.80	1000	125	8.00	10%	0.80
<b>Vote Reporting</b>	40	5	8.00	15%	<u>1.20</u>	1000	125	8.00	15%	<u>1.20</u>
					<b>Weekly Rating</b>					<b>Season To Date Rating</b>
					<b>8.00</b>					<b>7.97</b>
<p><b>Daily Rating System</b>            Excellent-8            Good-6            Acceptable-4            Poor-2            Unacceptable-0</p>										

**PROGRAM OF AGREED-UPON PROCEDURES RELATING TO  
MEASUREMENT CRITERIA AS AGREED-UPON BY THE STEERING COMMITTEE**

***I. Generation of Material Request***

- A. From Broadridge Financial Solutions, Inc., Investor Communication Solution's (the "Company" or "Broadridge") weekly Measurement Criteria Reports issued from December 29, 2008 through June 26, 2009, select 25 days and obtain the related Preliminary Material Estimate, Material Request Generation Reports and/or Material Request Reports. From the selected report, select one corporate issuer for whom a material request form was issued during such period. Do not select more than one corporate issuer from each Preliminary Material Estimate, Material Request Generation Reports and/or Material Request Report. (*Note:* All selections made in performing these agreed-upon procedures while non-statistical in nature, should be made without the intention of introducing bias in the selection process.)
- B. For each of the corporate issuers selected in *Procedure I.A.* above, read the on-line "job inquiry" screen on Broadridge's "Proxy Plus" system (the "System") to ascertain the search date. Compare the search date to appropriate source documents. (*Note:* The search date is one day after receipt of a search card/Broadridge NOBO Request Report or other appropriate documentation of the record and meeting dates, if such documentation is received before 12:00 PM. If such documentation is received after 12:00 PM, the search date is two days after receipt of such documentation.)
- C. For each of the corporate issuers selected in *Procedure I.A.* above, obtain an image of the material request form and an image of the Preliminary Material Estimate, Material Request Generation Reports and/or Material Request Report for the first day that material was requested.
- D. Calculate the number of business days between the search date as defined in *Procedure I.B.* above and the date the material request was generated.
- E. Compare the results of *Procedure I.D.* above to the number of days documented on the Preliminary Material Estimate, Material Request Generation Reports and/or Material Request Report.
- F. For each Preliminary Material Estimate, Material Request Generation Reports and/or Material Request Report obtained in *Procedure I.C.* above, recalculate the categorization of each job based on the search date and the Material Request Generation Report.
- G. For each Preliminary Material Estimate, Material Request Generation Reports and/or Material Request Report obtained in *Procedure I.C.* above, foot the totals by category, for the number of material requests generated.
- H. For each Preliminary Material Estimate, Material Request Generation Reports and/or Material Request Report, obtained in *Procedure I.C.* above, agree the totals for material requests by category to the weekly Measurement Criteria Report.

***II. Distribute Vote Information Forms ("VIF") and Related Proxy Materials to Beneficial Owners***

- A. From Broadridge's weekly Measurement Criteria Reports issued from December 29, 2008 through June 26, 2009 select 25 days and obtain the related material received to "ML (mailed)" status report and material received to "PS (material shortage)" status report for both first- and third- class mail (collectively, the "Material Received Status Reports"). From the related Material Received Status Reports, select one corporate issuer for each day selected. Do not select more than one corporate issuer

from the Material Received Status Reports produced for each day during such period. (Note: All selections made in performing these agreed-upon procedures while non-statistical in nature, should be made without the intention of introducing bias in the selection process.)

- B. For each of the corporate issuers selected in *Procedure II.A.* above, agree the material received date as reflected on the “job inquiry” screen on Broadridge’s System to the material received date as reflected on the Material Received Status Report obtained in *Procedure II.A.* above. (*Note:* Performance criteria begins when all components of material are received including the proxy card. When rulings regarding the nature of proposals are needed, the criteria begins when the ruling is received or three business days after the record date, whichever is later, or when notice of record date is received (which is at least 5 business days in advance of the record date) or when final approval is received).
- C. For each of the corporate issuers selected in *Procedure II.A.* above, agree the material mailed date as reflected on the “job inquiry” screen on Broadridge’s System to the material mailed date as reflected on the Material Received Status Report obtained in *Procedure II.A.* above.
- D. For each of the corporate issuers selected in *Procedure II.A.* above, recalculate the categorization of each job based upon the material received to date and the material mailed date. Compare the results to the categorization as reflected on the Material Received Status Report.
- E. For each Material Received Status Report obtained in *Procedure II.A.* above, foot the totals by category, for the number of jobs for which VIFs and related proxy materials were mailed.
- F. For each Material Received Status Report obtained in *Procedure II.A.* above, agree the totals by category, for the number of jobs for which VIFs and related proxy materials were mailed from the Material Received Status Report to the weekly Measurement Criteria Report.

### **III. Electronic Distribution of Vote Information and Related Proxy Material to Beneficial Owners**

- A. From Broadridge’s weekly Measurement Criteria Reports issued from December 29, 2008 through June 26, 2009, select 25 days and obtain the related Vote Audit Electronic Delivery Report. From the related Vote Audit Electronic Delivery Reports, select one corporate issuer for each day selected. Do not select more than one corporate issuer from the Vote Audit Electronic Delivery Reports produced for each day during such period. (*Note:* All selections made in performing these agreed-upon procedures while non-statistical in nature, should be made without the intention of introducing bias in the selection process.)
- B. For each of the corporate issuers selected in *Procedure III.A.* above, agree the material received date as reflected on the “job inquiry” screen on Broadridge’s System to the material received date as reflected on the Vote Audit Electronic Delivery Report obtained in *Procedure III.A.* above.
- C. For each of the corporate issuers selected in *Procedure III.A.* above, agree the Uniform Resource Locator (“URL”) approval date as reflected on Broadridge’s System to the Vote Audit Electronic Delivery Report obtained in *Procedure III.A.* above.
- D. For each of the corporate issuers selected, agree the approval date as reflected on the Open Electronic Delivery Current Date Approved Report to the approval date as reflected on the Vote Audit Electronic Delivery Report in *Procedure III.A.* above.
- E. For each of the corporate issuers selected in *Procedure III.A.* above, agree the electronic delivery date as reflected on a sample e-mail to the release date as reflected on the Vote Audit Electronic Delivery Report in *Procedure III.A.* above.
- F. For each of the corporate issuers selected in *Procedure III.A.* above, ascertain the categorization of each

job based upon the number of days between the material received date or the URL approval date (whichever is later) and the electronic delivery date. Compare the results to the categorization as reflected on the Vote Audit Electronic Delivery Report in *Procedure III.A.* above.

- G. For each Vote Audit Electronic Delivery Report obtained in *Procedure III.A.* above, foot the totals by category, for the number of jobs for which VIFs and the related proxy materials were delivered electronically.
- H. For each Vote Audit Electronic Delivery Report obtained in *Procedure III.A.* above, agree the totals by category, for the number of jobs for which VIFs and related proxy materials were delivered electronically from the Vote Audit Electronic Delivery Report to the weekly measurement criteria report.

#### **IV. Handling of Material Shortages**

**Preface:** Material Shortages identified by Broadridge fall into three categories which are: incompletes (IC) obvious shorts (OS) and production shorts (PS). Incompletes and obvious shorts are identified by Broadridge at the time materials are initially received. The determination of the category as incomplete (not containing all appropriate materials for the mailing) or obvious short (missing a significant number of materials necessary to complete the mailing) are made, entered, and updated into the system on the same day and is reported in the short call list that day. When a production short (PS) (materials went to production and there were not enough to meet the mailing requirement) is identified there is a one day lag between when the shortage is identified and when it is entered and updated in the system and reported on the short call list.

- A. From Broadridge's weekly Measurement Criteria Reports issued from December 29, 2008 through June 26, 2009, select 25 days within the period and obtain the related open job log. Select one corporate issuer from each of these 25 reports. (**Note:** All selections made in performing these agreed-upon procedures while non-statistical in nature, should be made without the intention of introducing bias in the selection process.)
- B. For each of the corporate issuers selected in *Procedure IV.A.* above, read the "job history" screen on Broadridge's System and ascertain that the job had a material shortage and such shortage was documented in the system. Also, from the short call list and/or the job history screen, ascertain the date that Broadridge became aware of the material shortage and the date Broadridge reported the material shortage to the corporate issuer or its designated representative. Where an Obvious Short ("OS") or an Incomplete ("IC") was identified, obtain the control envelope and receiving documents to verify the date the materials were received and the short was recognized. Where a Production Short ("PS") was identified, obtain the "job inquiry" screen on Broadridge's System to verify the date the job was mailed and the short was recognized. Ascertain that the material shortage was reported within two business days of Broadridge becoming aware of the shortage, based upon the dates obtained above as reflected in Broadridge's System.
- C. Additionally, agree the date that Broadridge became aware of the material shortage as reflected in the System to the first date that the material shortage was reflected on Broadridge's open job log.
- D. For each open job log obtained in *Procedure IV.A.* above, agree the total jobs identified with material shortages to the weekly Measurement Criteria Report.

#### **V. Vote Tabulating: (Includes Scannable, and Non-Scannable and Off-line Fax/Last Minute Voting)**

- A. For Non-Priority and Secondary Items (votes representing less than 50,000 shares and received at least six business days prior to the meeting) perform the following:
  - 1. Select 25 days from Broadridge's weekly Measurement Criteria Reports from December 29, 2008 through June 26, 2009. (**Note:** All selections made in performing these agreed-upon procedures

while non-statistical in nature, should be made without the intention of introducing bias in the selection process.)

2. For each day selected in *Procedure V.A.1* above, obtain an image of the Daily Statistics Log (This log summarizes the total number of envelopes received and sorted which contained voting instruction forms/ballots. In certain cases, the received and sorted envelopes may contain multiple voting instruction forms/ballots) in order to ascertain the number of envelopes received and sorted by Broadridge on that day, containing Non-Priority and Secondary shareholder votes. In addition, obtain an image of the Scanning/Data Entry Totals Log (This log summarizes the total number of voting instruction forms/ballots scanned after extraction from their envelopes) for the selected day and ascertain the number of Non-Priority shareholder votes from the prior day that are being carried over to Secondary on the selected date from the "Carryover – Non-Priority to Secondary" column.
  3. From the Scanning/Data Entry Totals Log obtained in *Procedure V.A.2* above, ascertain the number of Non-Priority and Secondary shareholder votes that were processed on the selected day. In addition, review the Scanning/Data Entry Totals Log and ascertain the number of Non-Priority and Secondary shareholder votes from the selected day that were carried over and processed on the subsequent day and the Non-Priority votes that were carried over and processed two days after the selected day.
  4. Ascertain that the number of Non-Priority and Secondary shareholder votes processed from *Procedure V.A.3* above is greater than or equal to the number of envelopes received and sorted containing Non-Priority and Secondary shareholder voting instructions/ballots from *Procedure V.A.2* above.
  5. For each day selected in *Procedure V.A.1* above, agree the total number of envelopes received and sorted from the Daily Statistics Log to the Weekly Measurement Criteria Report.
- B. For Priority Items (votes representing 50,000 or more shares or received within five business days of the meeting) perform the following:
1. Use the 25 days selected in *Procedure V.A.1*. above.
  2. For each day selected in *Procedure V.A.1* above, obtain an image of the Daily Statistics Log in order to ascertain the number of envelopes received and sorted by Broadridge on that day, containing Priority shareholder votes. In addition, obtain an image of the Scanning/Data Entry Totals Log for the selected day and ascertain the number of Secondary shareholder votes from the prior day that are being carried over to Priority on the selected date from the "Carryover – Secondary to 5 Day (Priority)" column.
  3. From the Scanning/Data Entry Totals Log obtained in *Procedure V.B.2* above, ascertain which items were priority shareholder votes. Ascertain the number of priority shareholder votes processed for that day.
  4. Compare the number of Priority votes processed from *Procedure V.B.3*. above to the number of envelopes received and sorted containing Priority votes from *Procedure V.B.2* above.
  5. For each day selected in *Procedure V.A.1* above, ascertain that Broadridge processed an amount greater than or equal to the number of envelopes received and sorted containing Priority beneficial shareholder votes.
  6. For each day selected in *Procedure V.A.1* above, agree the sum of the envelopes containing 5-Day Priority, the Special Processing and the 50K votes that were received and sorted as indicated on the Daily Statistics Log to the Weekly Measurement Criteria Report.

## **VI. Electronic Tabulation of Vote Instructions**

- A. For Votes Received via the Telephone perform the following:
1. Select 25 days from the Broadridge's weekly Measurement Criteria Reports from December 29, 2008 through June 26, 2009. (**Note:** All selections made in performing these agreed-upon procedures while non-statistical in nature, should be made without the intention of introducing bias in the selection process.)
  2. For each day selected in **Procedure VI.A.1.** above, obtain an image of the Telephone Voting Log File in order to ascertain the number of shareholder votes Broadridge received via telephone on that day.
  3. For each day selected in **Procedure VI.A.1.** above, obtain an image of the Telephone Voting File Report. Calculate the number of shareholder votes processed on that day.
  4. Compare the number of telephone votes processed from **Procedure VI.A.3.** above to the number of telephone votes received from **Procedure VI.A.2.** above.
  5. For each day selected in **Procedure VI.A.1.** above, ascertain that Broadridge processed an amount greater than or equal to the number of beneficial shareholder votes received.
- B. For Votes Received Proxy Edge (Desktop) perform the following:
1. Use the 25 days selected in **Procedure VI.A.1.** above.
  2. For each day selected in **Procedure VI.A.1.** above, obtain an image of the EVS Vote Selection Reports in order to ascertain the number of shareholder votes Broadridge received electronically on that day.
  3. For each day selected in **Procedure VI.A.1.** above, obtain an image of the Proxy Plus Batch Update Report. Calculate the number of beneficial shareholder votes processed electronically on that day.
  4. Compare the number of electronic votes processed from **Procedure VI.B.3.** above to the number of electronic votes received from **Procedure VI.B.2.** above.
  5. For each day selected in **Procedure VI.A.1.** above, ascertain that Broadridge processed an amount greater than or equal to the number of beneficial shareholder votes received.
- C. Votes Received via the Internet perform the following:
1. Use the 25 days selected in **Procedure VI.A.1.** above.
  2. For each day selected in **Procedure VI.A.1.** above, obtain an image of the Internet Vote Reconciliation Report in order to ascertain the number of shareholder votes Broadridge received and processed via the Internet on that day.
  3. From the report obtained in **Procedure VI.C.2.** above, compare the number of votes received to the number of votes processed via the Internet.
  4. For each day selected in **Procedure VI.A.1.** above, ascertain that Broadridge processed an amount greater than or equal to the number of beneficial shareholder votes received.
- D. Votes Received via Proxy Edge (PE.com) perform the following:

1. Use the 25 days selected in *Procedure VI.A.1.* above.
  2. For each day selected in *Procedure VI.A.1.* above, obtain an image of the Proxy Edge Reports (Global Split, Domestic Split, Contest Proxy and Domestic Proxy) in order to ascertain the number of shareholder votes Broadridge received and processed via Proxy Edge on that day.
  3. From the report obtained in *Procedure VI.D.2.* above, compare the number of votes received to the number of votes processed via Proxy Edge.
  4. For each day selected in *Procedure VI.A.1.* above, ascertain that Broadridge processed an amount greater than or equal to the number of beneficial shareholder votes received.
- E. Summary of Processed Results Achieved for Telephone, Proxy Edge (Desktop), Internet and Proxy Edge (PE.com) Votes
1. In order to ascertain that over 98% of the votes received are processed in the same day for the 25 days selected in *Procedure VI.A.1.* above, sum the total votes received for each day per *Procedure VI.A.2, Procedures VI.B.2, Procedure VI.C.2 and Procedure VI.D.2* and take that as a percentage of the sum of votes processed in *Procedure VI.A.3, Procedure VI.B.3, Procedure VI.C.2 and Procedure VI.D.2.* Agree the processed total and rating achieved for each day to what is reported in the Weekly Measurement Criteria Report.

**VII. Vote Reporting**

- A. From Broadridge's weekly Measurement Criteria Reports issued from December 29, 2008 through June 26, 2009, select 25 days and obtain the related log containing copies of all multiple client proxies issued on that day. Select one corporate issuer from each log. (Note: All selections made in performing these agreed-upon procedures while non-statistical in nature, should be made without the intention of introducing bias in the selection process.)
- B. For each of the corporate issuers selected in *Procedure VII.A.* above, obtain a copy of all multiple client proxies issued. (If the corporate issuer has more than one CUSIP, perform this and the following procedures for only one CUSIP).
- C. For each of the corporate issuers selected in *Procedure VII.A.* above, ascertain that a multiple client proxy was issued on all appropriate days, based upon reference to the Measurement Criteria as Agreed Upon by the Steering Committee (the "Measurement Criteria"). [Note that the Measurement Criteria require the multiple client proxies to be issued prior to 7:00 am in order to be considered on time. However, it is not practical to ascertain the actual time that these reports were issued. Therefore, we will only ascertain that these reports were produced on the appropriate days, by reference to the date on each multiple client proxy examined.]
- D. In order to ascertain that all multiple client proxies have been obtained for each corporate issuer selected in *Procedure VII.A.* above, select two brokers/bank nominees and add the daily voting totals on each multiple client proxy on which the selected brokers/bank nominees appear. Agree the summation of such total to the "vote to date total" reflected on the final multiple client proxy on which the selected brokers/bank nominees appear. (Note that consistent with Paragraph 3.e. of the Broadridge Financial Solutions (formerly known as ADP Investor Communications, Inc.) letter dated March 7, 1994 to the Steering Committee, supplemental multiple client proxies issued on the day before a meeting are not subject to this measurement criterion).

**VIII. Mathematical Accuracy of Broadridge's Cumulative Reporting On Measurement Criteria As of the Week Ended June 26, 2009**

- A. Obtain Broadridge's weekly Measurement Criteria Report for each week during the period from the week beginning December 29, 2008 through the week ended June 26, 2009.

- B. Based upon the Measurement Criteria, ascertain the rating (i.e., excellent, good, acceptable, poor, or unacceptable) for each criteria and each day. Compare the results to the rating as reflected in the measurement criteria reports obtained in *Procedure VIII.A.* above. Also, ascertain the proper amount of points for each criteria on each day, based upon the rating assigned. Compare the results to the points as reflected in the Reports on Measurement Criteria.
- C. Based upon the results of *Procedure VIII.B.* above, re-calculate the “season to date total points”, “total days reported”, and “average points for season” for each criteria, as of and for the period ended June 26, 2009. Agree these results to the Report on Measurement Criteria.
- D. Based upon the results of *Procedure VIII.C.* above, calculate the season to date overall weighted average rating, using the weighting system established in the Measurement Criteria. Agree the results to the weekly Measurement Criteria Report for the week ended June 26, 2009.

**Broadridge Financial Solutions, Inc.**  
**Investor Communication Solutions**

***Independent Accountants' Report  
On Applying Agreed-Upon Procedures  
Relating to the Reporting of the Stockholder  
Voting Results for Registered and Beneficial  
Shareholders, Including the Election of  
Directors.***

***January 1, 2009 – December 31, 2009***

**NOTICE:** You and your company have obtained this agreed-upon procedures report relating to the assessment of the reporting of the results of certain testing performed by Broadridge Financial Solutions, Inc., Investor Communication Solutions' Vote Audit and Control Department (this "Agreed-upon Procedures Report") as your company is an Existing Customer (as defined below) of Broadridge Financial Solutions, Inc. ("the Company"). This Agreed-upon Procedures Report is intended only to be used by members of management of the Company; a member of the Steering Committee; or a bank, brokerage, institutional investor, or corporate issuer user groups who are represented by the Steering Committee ("Existing Customers"), as stated in the independent accountants' report on applying agreed-upon procedures contained in this Agreed-upon Procedures Report, (collectively "Permitted Users"). Deloitte & Touche LLP ("Deloitte & Touche"), the entity that issued the independent accountants' report on applying agreed-upon procedures contained in this Agreed-upon Procedures Report, and its subcontractors, and their respective personnel shall have no liability, duties, responsibilities or other obligations to any prospective customers of the Company who may obtain this Agreed-upon Procedures Report, including, without limitation, in connection with any Permitted User's contemplation of contracting for services with the Company.

Deloitte & Touche, its subcontractors and their respective personnel have no responsibility for the Company's design and operation of effective internal control (including, without limitation, effective internal control over the Company's assessment of the reporting of the results of certain testing performed by the Company's Vote Audit and Control Department) or for the Company's compliance with all applicable laws and regulations. Nor does Deloitte & Touche, its subcontractors and their respective personnel have any obligation to advise or consult with any entity regarding their use of this Agreed-upon Procedures Report. Any use of this Agreed-upon Procedures Report by a party other than a Permitted User ("Other User") is at the sole and exclusive risk of such Other User. This Agreed-upon Procedures Report is not to be further disclosed, distributed, quoted, or referenced to any third party or included or incorporated by reference in any other document, including any securities filings.

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Mr. Lyell Dampeer  
President, Investor Communication Solutions  
Broadridge Financial Solutions, Inc.  
51 Mercedes Way  
Edgewood, New York 11717

This report is written to comply with the terms of our engagement with Broadridge Financial Solutions, Inc., Investor Communication Solutions ("Broadridge" or the "Company"), as outlined in our attached letter to you dated February 2, 2010 (the "Engagement Letter").

### Purpose of Engagement

We have performed the agreed-upon procedures set forth in *Exhibit 1* to the Engagement Letter, solely to assist you in evaluating the Company's reporting of stockholder voting instructions for registered and beneficial shareholders, including the election of directors specified above during the period from January 1, 2009 through December 31, 2009. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. We understand that our report may be provided to all members of Broadridge's Steering Committee (the "Steering Committee") and all institutions, banks, brokers, organizations and corporate issuers who are represented by the Steering Committee, including the American Society of Corporate Secretaries.

The management of the Company is responsible for establishing and maintaining its operating system and the internal controls inherent in such system. One of the objectives of internal controls is to provide reasonable, but not absolute, assurance that the procedures are operating as intended by management. The concept of reasonable assurance recognizes that the cost of an internal control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

There are inherent limitations that should be recognized in considering the potential effectiveness of internal control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures, the effectiveness of which depends upon segregation of duties, can be circumvented intentionally by management with respect either to the execution and recording of transactions or with respect to the estimates and judgments required. Further, projection of any evaluation of controls to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions and that the degree of compliance with the procedures may deteriorate.

Our performance of the agreed-upon procedures, which was done for the purpose set forth in the second paragraph of this section of this report, was not for the expression of an opinion on internal control. Accordingly, we do not express such opinion and our report will not satisfy any regulatory, contractual, or other requirements for a report on internal control. Furthermore, our engagement was not designed to disclose defalcations or other similar irregularities should there be any. Accordingly, our procedures were limited to the operating system and related controls and procedures of the Company and did not extend to external procedures performed by subscribers, corporate issuers and others involved in the proxy voting process. If additional procedures or an examination of the

Company's internal control structure had been performed, other matters might have come to our attention which would have been reported to you.

### **Procedures and Findings**

As a result of the performance of the agreed-upon procedures for the period of January 1, 2009 through December 31, 2009, as outlined in *Exhibit 1* to the Engagement Letter (included herein), no exceptions were noted with respect to the procedures performed by us on the reporting of the stockholder voting results for registered or beneficial shareholders, including the election of directors, during the respective period. The selections for which we performed the agreed-upon procedures were subject to testing procedures by Broadridge's Vote Audit and Control Department.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on Broadridge's Reporting of the Stockholders Voting Results for Registered or Beneficial Shareholders. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We understand that our report may be provided to any member of the management or of the board of directors of the Company, all members of the Steering Committee or an institution, bank, broker, organization or corporate issuer who is represented by the Steering Committee, including the American Society of Corporate Secretaries. This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

*Deloitte + Touche LLP*

August 20, 2010

## **ENGAGEMENT LETTER**



Deloitte & Touche LLP  
Two Jericho Plaza  
Jericho, NY 11753-1683  
USA

Tel: +1 516 918 7000  
Fax: +1 516 827 3980  
www.deloitte.com

February 2, 2010

Mr. Lyell Dampeer  
President, Investor Communication Solutions, U.S.  
Broadridge Investor Communication Solutions, Inc.  
51 Mercedes Way  
Edgewood, New York 11717

Dear Mr. Dampeer:

This letter confirms the engagement of Deloitte & Touche LLP (“D&T” or “we” or “us”) to perform certain agreed-upon procedures to assist Broadridge Financial Solutions, Inc., Investor Communication Solutions (the “Company” or “Broadridge”), its Existing Customers and its Steering Committee (as defined below) in evaluating the Company’s reporting of the stockholder voting results for registered and beneficial stockholders during the period of January 1, 2009 through December 31, 2009. These procedures involve testing the Company’s vote processing and reporting of stockholder voting results presented to the Inspector of Elections.

This engagement to perform agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, subject to the terms and conditions set forth herein. The specific procedures that D&T is to perform are set forth in the attached Program of Agreed-Upon Procedures (*Exhibit 1*). These procedures have been established based on discussions with you, and the sufficiency of the procedures is solely the responsibility of the Company and the Steering Committee, as discussed below. The Steering Committee consists of representatives of the Company’s bank, brokerage, institutional investor, and corporate issuer user groups (the “Steering Committee”). Those bank, brokerage, institutional investor, and corporate issuer user groups represented by the Steering Committee are defined for the purposes of this engagement letter as “Existing Customers” and also as specified parties to this engagement. In addition, these procedures may be changed or modified by mutual agreement among the Company, the Steering Committee, and D&T if, for example, unforeseen circumstances arise. D&T will promptly discuss any such circumstances with the Company and the Steering Committee and, likewise, the Company and Steering Committee agree to promptly notify D&T if modifications to the procedures are requested.

#### **Acknowledgment and Agreements**

The Company specifically acknowledges and agrees to the following:

- The performance of the agreed-upon procedures will not constitute an examination conducted in accordance with attestation standards, the objective of which is the expression of an opinion on the Company’s reporting of the stockholder voting results for registered and beneficial stockholders. Therefore, D&T will not be in a position to express, and will not express, an opinion, or any other form of assurance, with respect to any matters (including, without limitation, the Company’s reporting of the stockholder voting results for registered and beneficial stockholders), as a result of performing the agreed-upon procedures.
- The agreed-upon procedures that D&T is to perform at the request of the Company, and with the agreement of D&T, are limited in nature and do not comprehend all matters relating to the Company’s reporting of the stockholder voting results instructions for registered and beneficial stockholders that might be pertinent or necessary in the Company’s, Existing Customers’ and Steering Committee’s evaluation of the Company’s performance. Accordingly, the procedures should not be taken to supplant other inquiries and procedures that the Company, the Existing Customers and the Steering Committee should undertake for the purpose described above.

- D&T's report will not extend to any financial statements of the Company, taken as a whole, or its internal control for any date or period.
- The nature, scope, and design of the agreed-upon procedures that D&T is requested to perform are solely the responsibility of the Company, the Steering Committee on behalf of the Existing Customers and the Steering Committee. Furthermore, D&T has no responsibility to advise the Company, Existing Customers or the Steering Committee of other procedures that might be performed and makes no representations as to the sufficiency of such procedures for the purposes of the Company, the Existing Customers or the Steering Committee.
- D&T's responsibility is limited to performing the procedures specified and agreed to, and to reporting the resulting findings, subject to the limitations contained herein, and D&T's engagement cannot be relied on to disclose significant deficiencies, material weaknesses, or fraud should they exist. In addition, D&T's engagement cannot be relied on to disclose errors, other than those errors that may be reported as findings in connection with the application of the agreed-upon procedures that D&T is to perform hereunder. D&T has no responsibility for updating the procedures performed or for performing any additional procedures.
- The Company shall be solely responsible for the design and operation of effective internal control (including, without limitation, effective internal control over the Company's reporting of the stockholder voting results for registered and beneficial stockholders) and for complying with all applicable laws and regulations.
- The Company shall be solely responsible for providing accurate and complete information requested by D&T. D&T has no responsibility for the accuracy or completeness of the information provided by, or on behalf of, the Company.
- Immediately prior to the completion of this engagement, D&T will request that the Company's management provide D&T with a representation letter acknowledging management's responsibility for the Company's reporting of the stockholder voting results for registered and beneficial stockholders and confirming certain representations made to D&T during the engagement.
- Should D&T determine that significant restrictions are being placed on the performance of the agreed-upon procedures by the Company or the Steering Committee, including, without limitation, the failure of management to provide D&T with a management representation letter that D&T determines to be satisfactory, D&T shall be entitled to withdraw from this engagement.
- Except as set forth below, the Company agrees that any report issued by D&T hereunder will not be used by, or circulated, quoted, disclosed or distributed to, nor will reference to such report or D&T's engagement hereunder be made to, anyone who is not a member of management of the Company, all members of the Steering Committee, Existing Customers who are represented by the Steering Committee and/or their designated representatives. Notwithstanding the foregoing, the Company may provide access to such report to regulatory authorities having jurisdiction over the business or financial affairs of the Company solely to the extent requested by such regulatory authority. The Company also agrees that it will not use our report for general marketing or other sales activity and agrees that if the Company would like to add a prospective customer as a non-participant party to our report, to contact us to have the appropriate agreements signed by the necessary parties before sharing our report with such prospective customers.
- Notwithstanding the foregoing, the Company may distribute our report to Existing Customers (as specified parties to the report) as specified below. The Company agrees that (1) D&T will be required to provide the Company with a certain number of printed reports that can be distributed to Existing Customers; and (2) the disclaimer language set forth in *Appendix C* will be conspicuously included on the cover of any such report that the Company manually distributes to such Existing Customers. The Company agrees that it will only distribute our report to such Existing Customers as set forth in this paragraph.

**Audit Committee's Responsibility**

As the independent registered public accounting firm of the Company, we acknowledge that the Audit Committee is directly responsible for the appointment, compensation, and oversight of our work. You have advised us that the services to be performed under this engagement letter, including, where applicable, the use by D&T of affiliates or related entities as subcontractors in connection with this engagement, have been approved by the Audit Committee in accordance with the Audit Committee's established preapproval policies and procedures.

**Fees**

Our fees are based on the amount of time required at various levels of responsibility, at our standard billing rates, plus expenses, payable upon presentation of our invoices.

\* \* \* \* \*

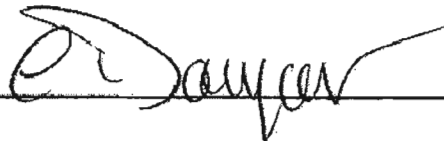
This engagement letter, including the exhibits, appendices, and supplements attached hereto and made a part hereof, constitutes the entire agreement between the parties with respect to this engagement and supersedes all other prior and contemporaneous agreements or understandings between the parties, whether written or oral, relating to this engagement.

If the above terms are acceptable to you, and the services described are in accordance with your understanding, please sign the copy of this letter in the space provided and return it to us.

Yours truly,

*Deloitte + Touche LLP*

***Accepted and Agreed To By Broadridge Investor Communication Solutions, Inc:***

By: 

Title: Lyell Dampier  
President  
Investor Communication Solutions, U.S.

Date: February 4<sup>th</sup>, 2010

cc: Audit Committee of Broadridge Investor Communication Solutions, Inc.

GENERAL BUSINESS TERMS

Broadridge Investor Communication Solutions, Inc.

Engagement Letter Dated February 2, 2010

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1. **Limitation On Liability, Release, and Indemnification**

- (a) The Company agrees that D&T (as defined below) and its personnel will not be liable to the Company for any claims, liabilities, or expenses relating to this engagement (“Claims”) for an aggregate amount in excess of the fees paid by the Company to D&T pursuant to this engagement, except to the extent finally judicially determined to have resulted primarily from the bad faith or intentional misconduct of D&T. In no event will D&T or its personnel be liable for consequential, special, indirect, incidental, punitive or exemplary loss, damage, or expense relating to this engagement.
- (b) The Company agrees to release and indemnify D&T and its personnel from all Claims attributable to any misrepresentation by the Company’s management.
- (c) The Company agrees to indemnify and hold harmless D&T and its personnel from all Claims, except to the extent finally judicially determined to have resulted primarily from the bad faith or intentional misconduct of D&T.
- (d) The provisions of this Paragraph 1 will apply to the fullest extent of the law, whether in contract, statute, tort (such as *negligence*), or otherwise. In circumstances where all or any portion of the provisions of this Paragraph 1 are finally judicially determined to be unavailable, D&T’s aggregate liability for any Claim shall not exceed an amount that is proportional to the relative fault that D&T’s conduct bears to all other conduct giving rise to such Claim.

2. **Independent Contractor.** It is understood and agreed that D&T is an independent contractor and that D&T is not, and will not be considered to be, an agent, partner, fiduciary, or representative of the Company or the other specified parties.

3. **Survival and Interpretation.** The agreements and undertakings of the Company contained in the engagement letter, together with the exhibits, appendices and supplement to the engagement letter including these terms (the “engagement letter”), will survive the completion or termination of this engagement. For purposes of the provisions in the “Acknowledgments and Agreements” section of the engagement letter and these terms, “D&T” shall mean Deloitte & Touche LLP and its subsidiaries; to the extent that, as a subcontractor, they agree to provide any of the services under or in connection with the engagement letter, the member firms of Deloitte Touche Tohmatsu, and the affiliates of Deloitte & Touche LLP and such member firms; and, in all cases, any successor or permitted assignee.

4. **Assignment and Subcontracting.** Except as provided below, no party may assign, transfer, or delegate any of its rights or obligations relating to this engagement (including, without limitation, interests or Claims) without the prior written consent of the other party. The Company hereby consents to D&T subcontracting a portion of its services under this engagement to any affiliate or related entity, whether located within or outside of the United States. Professional services performed hereunder by any of D&T’s affiliates or related entities shall be invoiced as professional fees, and any related expenses shall be invoiced as expenses, unless otherwise agreed.

5. **Severability.** If any term of the engagement letter is determined to be invalid or unenforceable, such term shall not affect the other terms hereof or thereof, but such invalid or unenforceable term shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth herein and therein.

6. **Force Majeure.** No party shall be deemed to be in breach of the engagement letter as a result of any delays or non-performance directly or indirectly resulting from circumstances or causes beyond its reasonable control, including, without limitation, fire, epidemic or other casualty, act of God, strike or labor dispute, war or other violence, or any law, order or requirement of any governmental agency or authority
  
7. **Dispute Resolution.** Any controversy or claim between the parties arising out of or relating to the engagement letter or this engagement (a "Dispute") shall be resolved by mediation or binding arbitration as set forth in the Dispute Resolution Provision attached hereto as *Appendix B* and made a part hereof.

**DISPUTE RESOLUTION PROVISION**  
**Broadridge Investor Communication Solutions, Inc.**  
**Engagement Letter Dated February 2, 2010**

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This Dispute Resolution Provision sets forth the dispute resolution process and procedures applicable to the resolution of Disputes and shall apply to the fullest extent of the law, whether in contract, statute, tort (such as *negligence*), or otherwise.

***Mediation:*** All Disputes shall be first submitted to nonbinding confidential mediation by written notice to the parties, and shall be treated as compromise and settlement negotiations under the standards set forth in the Federal Rules of Evidence and all applicable state counterparts, together with any applicable statutes protecting the confidentiality of mediations or settlement discussions. If the parties cannot agree on a mediator, the International Institute for Conflict Prevention and Resolution (“CPR”), at the written request of a party, shall designate a mediator.

***Arbitration Procedures:*** If a Dispute has not been resolved within 90 days after the effective date of the written notice beginning the mediation process (or such longer period, if the parties so agree in writing), the mediation shall terminate and the Dispute shall be settled by binding arbitration to be held in New York, New York. The arbitration shall be solely between the parties and shall be conducted in accordance with the CPR Rules for Non-Administered Arbitration that are in effect at the time of the commencement of the arbitration, except to the extent modified by this Dispute Resolution Provision (the “Rules”).

The arbitration shall be conducted before a panel of three arbitrators. Each of the Company and Deloitte & Touche LLP shall designate one arbitrator in accordance with the “screened” appointment procedure provided in the Rules and the two party-designated arbitrators shall jointly select the third in accordance with the Rules. No arbitrator may serve on the panel unless he or she has agreed in writing to enforce the terms of the engagement letter (including its exhibits, appendices and supplements, the “engagement letter”) to which this Dispute Resolution Provision is attached and to abide by the terms of this Dispute Resolution Provision. Except with respect to the interpretation and enforcement of these arbitration procedures (which shall be governed by the Federal Arbitration Act), the arbitrators shall apply the laws of the State of New York (without giving effect to its choice of law principles) in connection with the Dispute. The arbitrators shall have no power to award damages inconsistent with the terms of the engagement letter, including, without limitation, the limitation on liability, release, and indemnification provisions contained in the engagement letter. The arbitrators may render a summary disposition relative to all or some of the issues, provided that the responding party has had an adequate opportunity to respond to any such application for such disposition. Discovery shall be conducted in accordance with the Rules.

All aspects of the arbitration shall be treated as confidential, as provided in the Rules. Before making any disclosure permitted by the Rules, a party shall give written notice to all other parties and afford such parties a reasonable opportunity to protect their interests. Further, judgment on the arbitrators’ award may be entered in any court having jurisdiction.

***Costs:*** Each party shall bear its own costs in both the mediation and the arbitration; however, the parties shall share the fees and expenses of both the mediators and the arbitrators equally.

## APPENDIX C

**DISCLAIMER TO GO ON FRONT COVER OF INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES RELATING TO THE COMPANY'S  
REPORTING OF THE STOCKHOLDER VOTING RESULTS FOR REGISTERED AND  
BENEFICIAL STOCKHOLDERS FOR DISTRIBUTION TO EXISTING CUSTOMERS  
Broadridge Investor Communication Solutions, Inc.  
Engagement Letter Dated February 2, 2010**

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**NOTICE:** You and your company have obtained this agreed-upon procedures report relating to Broadridge Financial Solutions, Inc., Investor Communication Solutions' reporting of the stockholder voting results for registered and beneficial stockholders during the period of January 1, 2009 through December 31, 2009, (this "Agreed-upon Procedures Report") as your company is an existing customer of Broadridge Financial Solutions, Inc. ("the Company"). This Agreed-upon Procedures Report is intended only to be used by members of management of the Company; a member of the Steering Committee; or a bank, brokerage, institutional investor, or corporate issuer user groups who are represented by the Steering Committee ("Existing Customers"), as stated in the independent accountants' report on applying agreed-upon procedures contained in this Agreed-upon Procedures Report, (collectively "Permitted Users"). Deloitte & Touche LLP ("Deloitte & Touche"), the entity that issued the independent accountants' report on applying agreed-upon procedures contained in this Agreed-upon Procedures Report, and its subcontractors, and their respective personnel shall have no liability, duties, responsibilities or other obligations to any prospective customers of the Company who may obtain this Agreed-upon Procedures Report, including, without limitation, in connection with any Permitted User's contemplation of contracting for services with the Company.

Deloitte & Touche, its subcontractors and their respective personnel have no responsibility for the Company's design and operation of effective internal control (including, without limitation, effective internal control over the Company's compliance with certain measurement criteria as agreed upon by the Steering Committee or for the Company's compliance with all applicable laws and regulations. Nor does Deloitte & Touche, its subcontractors and their respective personnel have any obligation to advise or consult with any entity regarding their use of this Agreed-upon Procedures Report. Any use of this Agreed-upon Procedures Report by a party other than a Permitted User ("Other User") is at the sole and exclusive risk of such Other User. This Agreed-upon Procedures Report is not to be further disclosed, distributed, quoted, or referenced to any third party or included or incorporated by reference in any other document, including any securities filings. Notwithstanding the foregoing, the Company may provide access to such report to regulatory authorities having jurisdiction over the business or financial affairs of the Company solely to the extent requested by such regulatory authority.

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**PROGRAM OF AGREED-UPON PROCEDURES**

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***Preface:*** Broadridge issues voting results on a “client proxy” on behalf of our bank and broker clients to the related corporate issuer up through the shareholder meeting date. The voting results reported reflect instructions received from beneficial shareholders and broker discretionary voting, if applicable. All share amounts are provided to Broadridge by its bank and broker clients.

For those corporate issuers utilizing Broadridge for both the registered and beneficial portions of their proxy mailings, Broadridge provides complete vote tabulation and reporting services. Broadridge tabulates, reconciles and audits vote reports covering registered, beneficial and employee shareholder segments.

***I. Tabulating of Voting Instructions Processed for Registered or Beneficial Stockholders, Including the Election of Directors***

- A. Obtain a listing of all corporate issuers where Broadridge is the vote tabulator for the period from January 1, 2009 through December 31, 2009.
- B. From the listing obtained in *I.A.* above, randomly select 25 corporate issuers during the period.

***1. Beneficial Stockholders***

- A. For each of the corporate issuers selected in *I.B.*, ascertain whether the proxy materials (annual report, proxy statement, and proxy card or vote instruction form) were mailed greater than 25 days before the meeting date for beneficial stockholders by comparing the mail date versus the actual meeting date as indicated on the control envelope.
- B. Obtain a copy of each corporate issuer’s original proxy instructions and ascertain all information (proposals, management’s recommendation on how to vote for each proposal, type of meeting, meeting date, record date, and voting return options) appears on the voting instruction form (“VIF”) provided within the proxy materials mailed by the Company.
- C. For each of the corporate issuers selected in *I.B.*, ascertain the proposals are categorized as discretionary or nondiscretionary on the VIF by reference to the library copy of the proxy materials and the New York Stock Exchange (“NYSE”) Rule 452.11, rulings from NYSE Bulletins, e-mail documentation provided by the NYSE or prior precedence set by the NYSE (as indicated in previously issued bulletins or e-mail correspondence from the NYSE).
- D. For each of the corporate issuers selected in *I.B.*, review one VIF and one multiple client proxy to ascertain the multiple client proxy categorizes all proposals as discretionary or nondiscretionary as shown on the VIF.
- E. For each corporate issuer selected in *I.B.*, select the ten highest beneficial stockholders who submitted their voting instructions prior to the meeting date or cutoff date from the beneficial stockholder name and address list. Then randomly select 15 additional beneficial stockholders, for each corporate issuer selected in *I.B.*, who submitted their

voting instructions prior to the meeting date or cutoff date from the beneficial stockholder name and address list.

- F. If the item selected in *I.I.E.* was submitted via mail, obtain a copy of the corresponding VIF or proxy card and compare the voting instructions, for each proposal, to the Proxy Plus Batch Update Report and the Proxy Plus Voting History File to ascertain that the vote was processed correctly.
- G. If the item selected in *I.I.E.* was submitted via the telephone, obtain a copy of Broadridge's Telephone Voting File and compare the voting instructions, for each proposal, to the Proxy Plus Batch Update Report and the Proxy Plus Voting History File to ascertain that the vote was processed correctly.
- H. If the item selected in *I.I.E.* was submitted electronically, obtain a copy of Broadridge's Vote Summary Report or equivalent voting summaries and compare the voting instructions, for each proposal, to the Proxy Plus Batch Update Report and the Proxy Plus Voting History File or Oracle screen print or Main Frame screen print to ascertain that the vote was processed correctly.
- I. If the item selected in *I.I.E.* was submitted via the internet, obtain a copy of Broadridge's Internet Voting File Report and compare the voting instructions, for each proposal, to the Proxy Plus Batch Update Report and the Proxy Plus Voting History File or Oracle screen print or Main Frame screen print to ascertain that the vote was processed correctly.
- J. If the item selected in *I.I.E.* was submitted via Consolidated Data Feed ("CDF"), obtain a copy of Broadridge's Consolidated Data Voting File Report or equivalent and compare the voting instructions, for each proposal, to the Proxy Plus Batch Update Report and the Proxy Plus Voting History File or Oracle screen print or Main Frame screen print to ascertain that the vote was processed correctly.
- K. For each of the corporate issuers selected in *I.B.*, compare the number of shares owned as indicated on the beneficial stockholder name and address list (as reconciled by Broadridge's Vote Audit and Control Department) to the total number of shares on the summation of all multiple client proxies issued for the job.
- L. Ascertain that all multiple client proxies are produced and that all proxies, except the first, are marked supplemental. The number and timing of proxies to be issued are based upon the date the material was mailed relative to the meeting date (as determined in *I.I.A.* above). If the proxy materials are mailed more than 25 days prior to the meeting date, the first multiple client proxy produced should be 15 days prior to the meeting date. If the proxy materials are mailed out less than 25 days prior to the meeting date, the first multiple client proxy produced should be 10 days prior to the meeting date.
- M. For each corporate issuer selected in *I.B.*, compare the voting summary by broker dealer/bank nominee as reflected on the beneficial stockholder name and address list (as reconciled) to the multiple client proxy. This procedure should be performed on a 100% basis for five of the corporate issuers selected in *I.B.* above with less than 30,000 positions. For the remaining corporate issuers in *I.B.* above, this procedure should be performed for twenty brokers/bank nominees.
- N. For each corporate issuer selected in *I.B.*, compare the "summary vote to date" for each proposal, by broker dealer/bank nominee, as reflected on the last multiple client proxy issued on each corporate issuer's stockholder meeting date, to the Inspector of Elections Report.

- O. For each corporate issuer selected in *I.B.*, compare the total voting summary for the beneficial stockholders, for each proposal, as reflected on the Inspector of Elections Report to the tabulator vote report.

## 2. Registered Stockholders

- A. For each corporate issuer selected in *I.B.*, select the ten highest registered stockholders (if available) who submitted their voting instructions prior to the meeting date or cutoff date from the registered stockholder name and address list. Then randomly select 15 additional registered stockholders who submitted their voting instructions prior to the meeting date or cutoff date from the registered stockholder name and address list.
- B. If the item selected in *I.2.A.* was submitted via mail, obtain a copy of the corresponding VIF or proxy card and compare the voting instructions, for each proposal, to the Proxy Plus Batch Update Report and the Proxy Plus Voting History File to ascertain that the vote was processed correctly.
- C. If the item selected in *I.2.A.* was submitted via the telephone, obtain a copy of Broadridge's Telephone Voting File and compare the voting instructions, for each proposal, to the Proxy Plus Batch Update Report and the Proxy Plus Voting History File to ascertain that the vote was processed correctly.
- D. If the item selected in *I.2.A.* was submitted via the internet, obtain a copy of Broadridge's Internet Voting File Report and compare the voting instructions, for each proposal, to the Proxy Plus Batch Update Report and the Proxy Plus Voting History File to ascertain that the vote was processed correctly.
- E. For each corporate issuer selected in *I.B.*, compare the voting summary of shares, for each proposal, from the registered stockholder name and address list (as reconciled by Broadridge's Vote Audit and Control Department) to the Inspector of Elections Report.
- F. For each corporate issuer selected in *I.B.*, compare the total voting summary for the registered stockholders, for each proposal, as reflected on the Inspector of Elections Report to the tabulator vote report.

## 3. Election of Directors Proposal

- A. For the Election of Directors proposal, compare the voting summary of shares for each director, by broker dealer / bank nominee, as reflected on the beneficial stockholder name and address list (as reconciled by Broadridge's Vote Audit and Control Department), to the tabulator history report. This procedure should be performed on a 100% basis for five of the corporate issuers selected in *I.B.* above with less than 30,000 positions. For the remaining corporate issuers in *I.B.* above, this procedure should be performed for twenty brokers/bank nominees.
- B. For the Election of Directors proposal, compare the voting summary for each director, as reflected on the registered stockholder name and address list (as reconciled by Broadridge's Vote Audit and Control Department), to the tabulator history report. This procedure should be performed on a 100% basis for five of the corporate issuers selected in *I.B.* above with less than 30,000 positions. For the remaining corporate issuers in *I.B.* above, this procedure should be performed for twenty brokers/bank nominees.

- C. For each corporate issuer selected in *I.B.*, compare the voting summary, for each director, as reflected on the tabulator history report (for both the registered and beneficial stockholders), to the tabulator vote report.

## GLOSSARY OF TERMS

<b>Discretionary Proposals</b>	Proposals which can be voted by Broker Dealers on behalf of a beneficial stockholder when the vote instruction form is not received.
<b>Non-Discretionary Proposals</b>	Proposals which cannot be voted by Broker Dealers on behalf of a beneficial stockholder when the vote instruction form is not received.
<b>Multiple Client Proxy</b>	Compilation of the beneficial stockholders' voted shares, by broker dealer/bank nominee, through the meeting date of the corporation issuer.
<b>Stockholder Name and Address List or Proxy Plus History File</b>	Detailed compilation of all voted and non-voted shares of eligible stockholders (both registered and beneficial stockholders).
<b>Inspector of Elections Report</b>	Summary of all voting (from both registered and beneficial stockholders), for each proposal, as summarized by the tabulator.
<b>Tabulator Vote Report</b>	Summary of all votes cast for the meeting (via registered or beneficial stockholders), by proposal, including total voting power outstanding and quorum to date.
<b>Registered Stockholder</b>	Securities held directly by individual owners (not through a registered intermediary).
<b>Beneficial Stockholder</b>	Securities held through a registered intermediary (broker dealer/ bank nominee).
<b>Proposal</b>	Matter listed on proxy card or VIF subject to a vote of security holders.
<b>Tabulator History Report</b>	Summary of all voting (from both registered and beneficial stock-holders) related to the election of directors, obtained from the summation of Inspector of Elections Report and tabulator file (specific to Directors' exceptions).
<b>Telephone Voting File</b>	Daily report summarizing voting instruction forms received via the telephone.
<b>Vote Summary Report</b>	Daily report summarizing voting instruction forms received electronically.
<b>Vote Tabulator</b>	The entity responsible for counting and accumulating the voting instructions received from stockholders.
<b>Internet Voting File Report</b>	Daily report summarizing voting instruction forms received via the internet.
<b>Consolidated Data Voting File Report</b>	Daily report summarizing voting instruction forms received via consolidated data feed.



**BROADRIDGE INVESTOR  
COMMUNICATION SOLUTIONS, INC.**

***Report on Controls Placed in Operation  
And Tests of Operating Effectiveness  
Relating to Proxy Services***

**January 1, 2009 through December 31, 2009**

This report document on the description of controls (this "SAS 70 report document") of Broadridge Investor Communication Solutions, Inc. (the "Company") is neither designed nor intended for any users other than the Company's clients during the period from January 1, 2009 to December 31, 2009, and their external auditors (i.e., "user organizations" and their "independent auditors" as such terms are defined in the accompanying Independent Service Auditors' Report included in this SAS 70 report document and in the American Institute of Certified Public Accountants' Statement on Auditing Standards No. 70, "Service Organizations," as amended) ("Permitted Users"). Deloitte & Touche LLP ("Deloitte & Touche"), the entity that issued the SAS 70 examination report contained herein, and its subcontractors, and their respective personnel, shall have no liability, duties, responsibilities or other obligations to any prospective customers of the Company that may obtain this report document, including, without limitation, in connection with evaluating the controls of the Company or in contemplation of contracting for services with the Company.

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**Broadridge Investor Communication Solutions, Inc.**

**REPORT ON CONTROLS PLACED IN OPERATION  
RELATING TO Proxy Services**

<u><i>SECTION ONE</i></u>	<u><i>PAGE</i></u>
Independent Service Auditors' Report .....	i

*SECTION TWO*

**Description of Controls and User Control Considerations Provided by  
BICS**

I. Overview of Services.....	1
II. Elements of the Control Environment.....	2
III. Description of Controls .....	8
A. Corporate Issuer Setup.....	8
B. Identification .....	8
C. Compilation of Data.....	10
D. Material Delivery .....	11
E. Vote Collection, Tabulation and Reporting .....	14
F. General Computer Controls.....	17
IV. User Control Considerations	24
V. Control Objectives and Related Controls Provided by BICS	25

*SECTION THREE*

**Information Provided by the Service Auditor, Except for Control  
Objectives, and Controls in Subsection IV provided by BICS**

I. Introduction .....	27
II. Elements of the Control Environment.....	27
III. Tests of Operating Effectiveness.....	28
IV. Control Objectives and Controls Provided by BICS and Tests of Controls and Test Results Provided by Deloitte & Touche LLP:	
Business Cycle Controls.....	29
General Computer Controls (Distributed Environment) .	66
General Computer Controls (Mainframe Environment)..	84

**SECTION ONE**

**INDEPENDENT SERVICE AUDITORS' REPORT**

## INDEPENDENT SERVICE AUDITORS' REPORT

Broadridge Investor Communication Solutions, Inc.  
Edgewood, NY 11717

We have examined the accompanying description of controls of Broadridge Investor Communication Solutions, Inc. ("BICS"), and Automatic Data Processing, Inc ("ADP"), an independent service organization that provides physical and environmental data center controls, problem management controls, change management controls, and logical security controls to BICS, related to certain controls over Registered and Beneficial Domestic Proxy, Global Proxy, European Proxy, Reorganization Processing, Notice and Access Fulfillment, Reorganization Event Library, Proxy Disclosure, Investor Mailbox Services, ICS Online, the Proxy Plus application and the related general computer controls (Section Two). Our examination included procedures to obtain reasonable assurance about whether (1) the accompanying description presents fairly, in all material respects, the aspects of BICS' and ADP's controls that may be relevant to a user organization's internal control as it relates to an audit of financial statements; (2) the controls included in the description were suitably designed to achieve the control objectives specified in the description, if those controls were complied with satisfactorily and user organizations applied those aspects of internal control contemplated in the design of BICS' and ADP's controls; and (3) such controls had been placed in operation as of December 31, 2009. The control objectives (included in Section Three – IV) were specified by the management of BICS. Our examination was performed in accordance with standards established by the American Institute of Certified Public Accountants and included those procedures we considered necessary in the circumstances to obtain a reasonable basis for rendering our opinion.

BICS uses organizations such as the Depository Trust & Clearing Corporation ("DTCC") and Standard & Poors ("S&P") to obtain information related to outstanding shares of securities. Additionally, BICS uses the external central meeting announcement depositories Officiele Prijscourant and eBundesanzeiger to obtain meeting agenda information for Dutch and German meetings respectively (collectively, the "sub-service organizations"). The accompanying description includes only those control objectives and related controls of BICS and ADP, and does not include control objectives and related controls of the sub-service organizations. Our examination did not extend to the controls of the sub-service organizations.

In our opinion, the accompanying description of the aforementioned controls of BICS and ADP (Section Two) presents fairly, in all material respects, the relevant aspects of BICS' and ADP's controls that had been placed in operation as of December 31, 2009. Also, in our opinion, the

controls, as described, are suitably designed to provide reasonable assurance that the specified controls (included in Section Three – IV) would be achieved if the described controls were complied with satisfactorily and user organizations applied those aspects of internal control contemplated in the design of BICS' and ADP's controls.

In addition to the procedures that we considered necessary to render our opinion as expressed in the previous paragraph, we applied tests to specified controls, listed in Section Three – IV, to obtain evidence about their effectiveness in meeting the related control objectives described in Section Three – IV, during the period from January 1, 2009 to December 31, 2009. The specific control objectives, and the nature, timing, extent, and results of the tests are listed in Section Three – IV. This information has been provided to user organizations of BICS and to their auditors to be taken into consideration, along with information about the user organization's internal control, when making assessments of control risk for user organizations. In our opinion, the controls that were tested, as described in Section Three – IV, were operating with sufficient effectiveness to provide reasonable, but not absolute, assurance that the control objectives specified in Section Three – IV were achieved during the period from January 1, 2009 to December 31, 2009. However the scope of our engagement did not include tests to determine whether control objectives not listed in Section Three – IV were achieved; accordingly we express no opinion on the achievement of control objectives not included in Section Three – IV.

The relative effectiveness and significance of specific controls at BICS and ADP and their effect on assessments of control risk at user organizations are dependent on their interaction with the internal control, and other factors present at individual user organizations. We have performed no procedures to evaluate the effectiveness of internal control at individual user organizations.

The description of BICS' and ADP's controls is as of December 31, 2009, and information about tests of the operating effectiveness covers the period from January 1, 2009 to December 31, 2009. Any projection of such information to the future is subject to the risk that, because of change, the description may no longer portray the system in existence. The potential effectiveness of specific controls at BICS and ADP is subject to inherent limitations and, accordingly, errors or fraud may occur and not be detected. Furthermore, the projection of any conclusions, based on our findings, to future periods is subject to the risk that (1) changes made to the system or controls, (2) changes in processing requirements, or (3) changes required because of the passage of time may alter the validity of such conclusions.

This report is intended solely for use by management of BICS, its user organizations, and the independent auditors of such user organizations.

*Deloitte & Touche LLP*

February 26, 2010

**SECTION TWO**

**DESCRIPTION OF CONTROLS PROVIDED BY BICS**

## DESCRIPTION OF INTERNAL CONTROLS PROVIDED BY BICS

### I. OVERVIEW OF SERVICES

Broadridge Investor Communication Solutions, Inc. (“BICS”), a division of Broadridge Financial Solutions, Inc (“BFS”), commenced operations in 1989. BICS is a link to the investors of a large number of public companies in North America. The single source investor relation solution, BICS maintains more than 800 banks and brokerage firms as clients, and processes shareowner communications for over 450 mutual fund companies and more than 14,000 corporations. BICS handles the entire process including inventory maintenance, mailing, tracking, and vote tabulation.

This report addresses internal controls related to Registered and Beneficial Domestic Proxy, Global Proxy, European Proxy, Reorganization Processing, Notice and Access Fulfillment, Reorganization Event Library, Proxy Disclosure, Investor Mailbox Services, ICS Online, the Proxy Plus application and the related general computer controls that may be relevant to a user organization’s internal control as it relates to an audit of financial statements. The report is organized according to process areas and addresses internal controls related to each area as follows:

- A. Corporate Issuer Setup
- B. Identification
- C. Compilation of Data
- D. Material Delivery
- E. Vote Collection, Tabulation and Reporting
- F. General Computer Controls

Proxy Plus is BICS’s internal investor communication processing application and database. It contains record, meeting and mailing date information, as well as, proposal and director data. In addition, Proxy Plus receives and tabulates votes and maintains voting results for an issuer’s particular meeting on the shareholder, bank/broker, and issuer level.

## II. ELEMENT OF THE CONTROL ENVIRONMENT

BICS management is responsible for developing an overall organizational and processing environment conducive to effective internal controls. This environment promotes the safeguarding of assets, focuses on the reliability of data processed, promotes efficient and effective operations, and seeks compliance with applicable laws and regulations.

This is accomplished by establishing controls surrounding the processing of information and by developing policies, which promote adherence to the requirements of the control environment.

The elements include:

- A. Integrity and Ethical Values
- B. Commitment to Competence
- C. Audit Committee and the Board of Directors
- D. Management's Philosophy and Operating Style
- E. Organization Structure
- F. Personnel Policies and Practices
- G. Assignment of Authority and Responsibility
- H. Risk Assessment
- I. Information and Communication
- J. Monitoring

### A. Integrity and Ethical Values

An environment that demands integrity and ethical values is critical to building and maintaining an effectively controlled organization. Similarly, the effectiveness of internal controls is rooted in the integrity and ethical values of the people who create, administer, and monitor them. BFS and its subsidiaries including BICS have programs and policies designed to promote integrity and ethical values throughout the organization. Its corporate policies cover areas such as standards of performance, integrity, productivity, professionalism, ethics, values, and conduct. These policies are published, and are accessible to employees. Periodically, management communicates the importance of these policies and ethics standards to employees.

BFS has adopted a Code of Business Conduct and Ethics, which includes ethics, policies, and guidelines for employee behavior. BFS's Code of Business Conduct and Ethics is distributed annually to executives of BFS and its subsidiaries including BICS. BFS's Code of Business Conduct and Ethics is available on the company's intranet and is accessible by employees. The Code of Business Conduct and Ethics has a section on ethical behavior, gifts, bribes, kickbacks, covering up mistakes/falsifying records, protection of data (BFS, client and vendor), anti-trust compliance and securities trading. Also included in the Code of Business Conduct and Ethics are procedures for reporting misconduct, including assurance of non-retaliation. The Code of

Conduct provides guidelines on reporting improper behavior including an ethics hotline, ethics mailboxes, and communication to the Board of Directors and/or Audit Committee. New hire orientation includes the distribution of the Code of Business Conduct and Ethics. BFS also requires associates to confirm their review and acceptance of the Code.

BFS's Director of Compliance ("Director") is responsible for handling ethics complaints that are received from the ethics hotline and any other source. Each reported incident is fully investigated by the Director. Alleged departures, investigations, and subsequent resolutions are documented. The General Counsel and the Director periodically report to the Board of Directors on ethics cases where appropriate. The Code of Business Conduct and Ethics stipulates that a violation of the standards included in the Code will result in corrective action, including possible dismissal. In addition, the Audit Committee has an email box, a telephone line and an off-premises P.O. Box address where anyone can directly report ethics matters.

### **B. Commitment to Competence**

Competence should reflect the knowledge and skills needed to accomplish tasks that are defined in an individual's job description. Through consideration of an entity's objectives, strategies and plans for achievement of those objectives, management determines how well these tasks need to be accomplished. Management specifies the competence levels for particular jobs and translates those levels into requisite knowledge and skills.

BFS management has defined and analyzed the tasks comprising particular jobs, including such factors as the extent to which individuals must exercise judgment and the extent of related supervision. In addition to this, the knowledge and skills required to perform particular jobs have also been determined by BFS management and are communicated to associates. It is generally recommended and encouraged that every position has a job description.

### **C. Audit Committee and the Board of Directors**

For a control environment to be effective, the importance placed on controls must be evident at the most senior levels of the organization. BFS and its subsidiaries including BICS are under the direction of the BFS Chief Executive Officer ("CEO"), Chief Operating Officer ("COO") and the Board of Directors. The Board has established an independent Audit Committee, which oversees the company's systems of internal controls and the corporate internal audit activity. The Corporate Internal Audit Department provides an independent, objective assurance function by reviewing the effectiveness of the BFS risk management, internal controls and governance processes. The Audit Committee, which is made up of outside directors, meets at least once per quarter, and receives reports from BFS's internal and external auditors on BFS's control environment.

In line with its mission, Corporate Internal Audit assesses the reliability and security of financial and management information, client information maintained by the Company, and the systems and operations (in house or outsourced) that produce this information. Corporate Internal Audit also follows up on its recommendations to determine that effective remedial action was taken.

To maintain objectivity, Corporate Internal Audit is not involved in day-to-day control procedures. Instead, each business unit is responsible for their own internal controls.

#### **D. Management's Philosophy and Operating Style**

Management's philosophy and operating style significantly affect the way the entity is run including the types of business risks it accepts. BFS and its subsidiaries including BICS are managed by Vice Presidents, General Managers, and Presidents and overseen by the COO. BFS management emphasizes the importance of ensuring that the integrity of processing is management's priority, including controls to mitigate the risk. Weekly management meetings are held to discuss special processing requests, operational performance, and development and maintenance projects in process.

#### **E. Organizational Structure**

BICS is composed of the following major organizational groups dedicated to supporting daily operations:

1. Print and Production Operations
2. Client Services
3. Voting
4. Technology

##### 1. Print and Production Operations

The Print and Production Operations Group is responsible for the printing, inserting, mailing, and quality control of printed media that is produced for distribution by BICS. BICS possesses an array of equipment which is upgraded and improved as technologies evolve. Current capabilities include a large selection of printing and finishing services.

##### 2. Client Services

The Client Services area is responsible for managing day-to-day contact with clients. Client Services personnel handle inquiries and assist in the setup of new clients.

Client Services is divided into the following functional groups based upon the particular client base:

- Beneficial Client Services
  - Bank
  - Broker
  - Institution
  - Mutual Fund
  - Issuer

- Registered Client Services
  - Issuer
  - Mutual Fund
- Global Proxy Services
  - Institutions
  - Global Banks

### 3. Voting

The Voting group is comprised of the Vote Processing area and the Vote Audit area.

Vote Processing is responsible for the processing of paper proxies or Vote Instruction Forms received by BICS. This entails sorting, extracting, and scanning/data entry of items received. Vote Processing is also responsible for retention of documents in accordance with SEC and NYSE rules and regulations.

Vote Audit confirms that both paper and electronic votes are tested and reconciled. Tests and reconciliations are performed daily, weekly, monthly, and quarterly to confirm voting reports are accurate.

### 4. Technology

The Technology department is divided into the following groups:

- Network Services - Responsible for network services, communications, PC services, production LAN servers, and data base administration.
- Internet Initiatives - Responsible for development and maintenance of Internet and PC-based applications.
- Product Development - Responsible for development and maintenance of Mainframe applications.
- Application Services - Responsible for non-development support of the IT organization. Included in this group are: Production Support, which is responsible for mainframe system scheduling, monitoring, and availability. Application Support, which is responsible for client conversions, standards and procedures, and project management coordination.
- Software Quality Assurance - Responsible for writing and executing test plans and scripts to confirm that changes introduced into the production environment meet specifications.

## **F. Personnel Policies and Practices**

The BFS Corporate Vice President of Human Resources is responsible for the administration and interpretation of the personnel controls of BFS and its subsidiaries including BICS.

Performance feedback and reviews are conducted annually. These reviews are based on a standard of performance developed by each supervisor. Supervisors must complete a written

performance review based upon the standards of performance for each subordinate at least once a year. Written performance reviews must be signed off by two levels of management including the immediate supervisor and one higher level of management.

References are sought and background checks are conducted for BFS personnel hired. New hire candidates are drug-tested prior to being hired.

BFS's Computer Operations have been outsourced to its former parent company ADP. Shifts at ADP are managed by Shift Directors and the Senior Director of Operations Services. Incident reports, processing logs, job schedules, and equipment activity reports are monitored by the ADP Operations Group. Reports which track daily processing activities, hardware and software problems, and system usage are monitored by the ADP Operations Group continuously.

### **G. Assignment of Authority and Responsibility**

The control environment is greatly influenced by the extent to which individuals recognize that they will be held accountable. This holds true from the staff level to the CEO, who carries the responsibility for all activities within an entity, including internal controls. The extent of accountability includes assignment of authority and responsibility for operating activities, establishment of reporting relationships, and authorization protocols. BFS and its subsidiaries including BICS encourage individuals and teams to take the initiative in addressing issues and resolving discrepancies. Policies describing appropriate business practices, knowledge and experience of key personnel, and resources are communicated for carrying out duties.

### **H. Risk Assessment**

BFS management recognizes that risk management is a critical component of its operations at both the corporate and the business unit levels. To properly manage risks, and to serve clients as expected, BFS management has created a Risk Committee to oversee the Company's enterprise risk assessment and management process. This process requires management to identify significant risks within BFS and its subsidiaries including BICS and to implement appropriate measures to address these risks. Management of each of the key business units, including BICS, review the results of its risk assessment and control strategy with the BFS Risk Committee and make adjustments where appropriate.

BFS processes and controls are subject to regular reviews by the company's Corporate Internal Audit Department. Corporate Internal Audit documents, tests and evaluates internal controls throughout BFS and issues reports on its findings to management and the BFS Audit Committee.

### **I. Information and Communication**

Information and communication is integral to the continual improvement and competitiveness of an organization. BFS management and its' subsidiary BICS, have policies and procedures in place to initiate, record, process, and report business entity transactions and to effectively communicate and distribute relevant information timely, whether manual or automated in order

to maintain accountability for related assets, liabilities, and equity. Both BFS management and associates are provided with an understanding of their individual roles and responsibilities pertaining to internal controls.

The Company has implemented an annual Executive Development Process (“ED/OD”) where senior officers discuss with the Executive Committee their current and proposed organizational structure, management, personnel, and succession planning. Additionally, the Board of Directors regularly receives information on key developments from BFS management.

Employees are obligated to safeguard and prevent disclosure of sensitive, proprietary, confidential, privileged, or trade secret information. The Company has various policies in place governing associates obligations regarding the safeguard and disclosure of sensitive, proprietary, confidential, privileged, or trade secret information such as protection of BFS, client, or vendor information.

#### **J. Monitoring**

Each BFS Strategic Business Unit (“SBU”) is responsible for ongoing monitoring of risks in their respective areas/business units. There is an ongoing process to analyze risks including internal control issues and, if required, corrective actions are taken to resolve such internal control issues. In addition, management has established procedures to periodically assess the risks associated with all significant relationships such as, outsourced service providers, suppliers, and customers. Risks associated with any proposed change in BFS’s business structure are assessed by BFS management and where appropriate actions are taken to mitigate them.

### III. DESCRIPTION OF CONTROLS

BICS provides shareholder communication services to both Issuers (registered clients) and Banks/Brokers (beneficial clients) in the form of Proxy services and Reorganization processing. BICS handles the process of distributing shareholder information, as well as, collecting and tabulating votes and delivering a voting proxy for use at annual meetings. The following is an overview of these processes.

#### A. Corporate Issuer Setup

The Proxy Plus application is used to facilitate many of the business processes described below as well as actual processing of information. New Issuers are set up in the Proxy Plus system by BICS personnel. Once issuer information is entered into the Proxy Plus system, the department leader will review and sign off on the entry to confirm accuracy and completeness. Any errors that are identified during the review process, during production, or by the issuer are recorded on an error log and are reviewed and resolved by the department leader.

The process of distributing shareholder information for domestic clients begins when BICS automatically sends out issuer profile requests annually, coinciding with the issuer's expected meeting date, which for each existing issuer is based on the issuer's fiscal year-end. The profile requests are sent prior to the issuer's projected record date in order to obtain the issuer's actual proxy record date, meeting/cutoff date and other necessary issuer information.

Upon receipt BICS personnel enter the issuer information into the Proxy Plus system. The process of updating information for an existing issuer in the Proxy Plus system is the same as setting up new issuers in the system, as described above.

Access to the Proxy Plus application is controlled through the use of unique login IDs and passwords. A user access form must be completed and approved by management. The granting and revocation of Proxy Plus system access and privileges are based on job requirements and are handled by the BSG Data Security Group. The Production Support Team and BICS India are responsible for initiating access requests for the Global Proxy Group located in Edgewood, NY and India, respectively, and sending the requests to the BSG Data Security Group.

#### B. Identification

In order to monitor approaching issuer meeting dates or shareholder mailing dates, the Proxy Plus system creates a file containing meeting date announcements and upcoming shareholder mailings for a particular record date. The system automatically sends a search request to bank/broker and global custodian clients for shareholder name, address, and position information in order to identify holders of a particular security and their positions.

If the Proxy Plus system does not receive a response from broker/dealer clients to the search request within two days, it will automatically post an exception on the Management Alert Report. BICS Client Services personnel use the Management Alert Report to identify, monitor, and

resolve outstanding search requests to bank/brokers to confirm that shareholder information is received with enough time to send out ballots.

The system automatically generates the Client Positions Report, which enables the bank/broker to verify that information was received by BICS completely. To confirm that transmissions from Edgewood are received completely by the BICS India production server, an executable job on the production server in BICS India automatically runs every morning to generate an excel spreadsheet that details the number of faxes and pages sent. These details are manually compared to the fax messages printed to confirm completeness of the printout.

For global clients, UK meeting agendas are sent to BICS-Europe from the global custodians and then the meeting information is scanned and e-mailed to BICS India by the close of business each day. A checklist is utilized by BICS-Europe to confirm that meeting information is scanned and e-mailed to BICS India on a daily basis.

For the Dutch and German meetings, BICS-Europe personnel log on to the Dutch meeting central depository *Officiële Prijscourant\**, and the German meeting central depository *eBundesanzeiger\**, to obtain the latest Dutch and German meetings and record the information onto the Dutch Meeting Spreadsheet and German Meeting Spreadsheet. BICS-Europe personnel send the latest meeting information via a spreadsheet to BICS India by the close of business each day. A checklist is utilized by BICS-Europe to confirm that the latest meeting information recorded by BICS-Europe personnel is entered completely, accurately and reviewed by the Team Leader, and send to BICS India on a daily basis.

Upon receiving the information, BICS India personnel set up a job in Proxy Plus to automatically send requests for shareholder positions to the global custodian. Once the information is reported back, and it is determined that BICS's clients have shareholders who hold positions in a particular issuer for that meeting date, BICS India will code the meeting information into Proxy Plus. For German and Dutch meetings, the BICS-Europe German Specialist and BICS-Europe Dutch Specialist code the Meeting Information onto ProxyEdge, the web-based voting site, and it is reviewed by the Team Leader.

Meeting information for global issuers is received by the BICS India team either through e-mail, fax, SWIFT (an established global communications link) or State Street Bank ("SSB") Swift messages. Daily transmissions sent to the Network Operations Center ("NOC") are automatically uploaded to the Proxy Plus production server in Edgewood, NY, and through File Transfer Protocol ("FTP") to the servers in BICS India. NOC personnel in Edgewood, NY, send a daily confirmation e-mail to BICS India when the transmission is sent. If an instance occurs where a job cannot run and data is not transferred to BICS India, the NOC will contact the System Support Team in India to research and resolve the matter.

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\* External entities such as *eBundesanzeiger* and *Officiële Prijscourant* are not in the scope of this report. Internal controls related to these entities have intentionally been excluded from this report. Any information related to these entities has been included for informational purposes only.

The executable job also converts the SSB Swift and Swift messages into Microsoft Word documents. The original Swift message is split and classified by International Security Identification Number (“ISIN”) and a Microsoft Word document is created for each ISIN. The job also creates a file that lists security identifiers received in the SSB Swift and Swift transmission. The executable job also includes built in logic that recognizes missing data (e.g., missing security identifiers) and creates an “Unprocessed Swift” Report. Items listed on the report are then manually researched by the BICS India team using the mainframe to obtain the necessary missing data.

In addition to the daily transmissions, sub-custodians can directly e-mail meeting information to a shared e-mail address. BICS India personnel will print these and add them to the fax and Swift messages printed. Information received is distributed to associates who commence the process of setting up meetings on Proxy Plus.

On a daily basis, the global issuer master file is updated through an automatic feed from S&P\*. The file that is fed into the mainframe is the Automated Telekurs Report, which updates the number of records and individual security information for each global issuer. The Edgewood Production Support team monitors the process to confirm that the Telekurs file is received and loaded each business day.

BICS measures the turnaround time for meeting setup, agenda coding, accuracy, and ballot creation on the Global Measurement Criteria spreadsheet. These results are reported weekly as part of the Global Steering Committee measurement criteria.

### **C. Compilation of Data**

On a daily basis various broker/bank clients and global custodians send files with shareholder name and address records to BICS and system processing loads the file into the Proxy Plus system. For beneficial processes, name and address records of shareholders who do not hold their stock in certificate form, are transmitted from broker/bank clients to BICS via a systematic feed. A Client Position Load Report is automatically generated by Proxy Plus to confirm that files from bank/brokers are received and loaded into Proxy Plus completely. Any incomplete file transmissions are recorded on an internal management report, which is reviewed and resolved by Client Services.

For registered processes, name and address records of shareholders who hold physical securities in their stock, are received from the issuer via CD, e-mail, or tape. To confirm data is received completely control totals provided by the client within the data file are automatically reconciled to the data received in the file and, if agreed, the Proxy Plus system will automatically load the data file.

For global issuers, global custodians provide a response file each day containing account information in response to the outgoing record date file. An automated batch process runs each

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\* External entities such as S&P are not in the scope of this report. Internal controls related to this entity have intentionally been excluded from this report. Any information related to this entity has been included for informational purposes only.

business day creating an outgoing record date file for the global custodian clients. The edit/load reports provide a summary of the loaded records. The Client Service team will receive change requests from the global custodians. The control reports record changes made to global custodians' account.

BICS has provided to clients change request forms for new shareholder information and modifications to existing shareholder information. Clients requesting a change must submit to BICS a completed form, including client ID and client number along with an authorized signature. Changes or modifications are reviewed by Vote Audit to verify accuracy. Alternatively, clients can make modifications directly to shareholder information via ICS Online. An Account Adjustment report is automatically generated daily for clients to verify accuracy.

#### **D. Material Delivery**

Prior to any upcoming shareholder meetings or mailings, Proxy Plus will automatically send a material request list to issuers based on issuer information previously recorded in Proxy Plus. The material request indicates the number of materials needed. In the event that materials are not received from an issuer 30 days prior to the meeting date, they are indicated as a short on the Material Call List. A fax is then automatically sent to the issuers indicating the shortage and re-requesting the materials. BICS personnel use the Material Call List to monitor aged items and perform follow-up to receive materials prior to the issuers meeting.

BICS sends issuer materials and information to shareholders in one of two ways. Shareholders that have registered for electronic delivery will receive meeting information and voting instructions via e-mail. In the event that materials sent via e-mail fails, it will be recorded on an Electronic Fails ("EFAILS") Report, which is automatically generated on a daily basis and tracks the failed e-mail attempts. A letter is also automatically generated and mailed to the shareholder notifying them to obtain the issuer materials information online via a provided link.

Other shareholders receive printed materials via the mail. Once BICS receives shareholder materials from the issuer, BICS personnel schedule the job to print. The Production Operations Quality Audit ("POQA") Department then uses material samples and mailing instructions to determine weights, measures, postage, and media and envelope requirements. Once this information is entered into Proxy Plus, BICS personnel execute job instructions to insert and mail materials to shareholders. A Quality Control inspector checks the start of every job and performs spot checks throughout the job and notes any exceptions on a QC Log. Any exceptions are addressed on the spot and reviewed by the QC inspector before resuming the job. The Quality Control Department reviews the job information in Proxy Plus and compares it to the mailing envelope to confirm accuracy. Once Quality Control performs reconciliation between the postal documentation and internal control documents such as the control envelope and job card to confirm pieces are included, the job is approved and signed off to be mailed. The Production Operations Group tracks the progress of a job and confirms that it is printed and mailed on schedule by reviewing the Must Mail List, which shows the required mail dates for jobs.

For global meetings Awaiting Writing (“AW”), Quality Control (“QC”) and Coding Complete (“CC”) reports are generated and e-mailed from BICS India to the BICS Quality Control group in Edgewood. Meetings with the status QC are sent to Quality Control personnel to review. Once this information is verified, Quality Control will manually change the meeting status to CC. Once a meeting’s status is changed to CC, no further changes to meeting information can be made. The meetings that are processed during the day are also reported back to BICS through a daily EOD report which is used for record keeping and reconciliation purposes. For meetings where key information is missing, associates will record the missing information in an Access database, which is reported to the Edgewood team through the daily Awaiting Information (“AI”) report for further follow-up.

For processing problems, a trouble ticket is opened by Client Services in the Remedy application for tracking and resolution. Trouble tickets are manually entered into Remedy. When a problem is resolved, the solution is documented on the trouble ticket, and the ticket is marked as resolved. Global Proxy utilizes an exception report automatically generated by Proxy Plus, which is reviewed by management and exceptions are investigated and resolved timely. If the problem is a systematic issue, problem reports, work requests, or system enhancement requests must be used to track the changes/enhancements. Prior to implementing the change, proper approval is obtained and tracked on the request document. BICS-Europe personnel run a macro to generate a checklist of Vote Files processed, which is reviewed and signed off by the Team Leader on a daily basis to confirm that discrepancies are resolved.

Issuers requesting shareholder information for Non-Objecting Beneficial Owners (“NOBO”) must formally document their request for that information via a formal Request Form or written request on company letterhead. BICS Support Services personnel review the request to confirm it contains a CUSIP, Record Date, Intended Use, Media Requested, Accounts Sequence, and Authorized Signature. The issuer information is confirmed by BICS personnel with the NOBO issuer via phone call and in the event that information cannot be verified, the request will be placed on the NOBO Hold List. The request will not be processed until information on the request form can be verified and signed off by the reviewer. BICS Support Services reviews the Record Date Report to confirm that authorized requests are processed timely.

#### *Notice and Access*

Beginning July 1, 2007, the U.S. Securities and Exchange Commission’s Notice and Access rule went into effect. The rule gives public companies an alternative method of providing proxy materials to shareowners.

Rather than automatically sending shareowners a complete set of proxy materials by mail, companies may choose instead to mail a “ Notice of Internet Availability of Proxy Materials”, which may allow corporations and mutual funds to lower costs of the proxy process through reduced print and postage expenses.

When clients opt for the Notice and Access models, only the notice is printed and mailed to shareowners. The notice includes:

- The date, time and location of the meeting;
- A link to where the proxy materials can be viewed on the internet and a link to an internet voting site;
- Instructions to request full package of proxy materials by mail.

In addition, shareowners can make a permanent election to receive all proxy materials in paper with respect to future proxies. This election is recorded in the Proxy application and is used by the application to determine which shareowners will receive only the notice or the full package of materials.

Once a shareowner receives the notice and makes a request to receive the full package of materials, a fulfillment request is automatically processed by Proxy Plus. In case Broadridge doesn't have enough material to fulfill the request, Client Services contacts the issuer/solicitor to obtain the necessary materials.

Accordingly, notice and access printing jobs and mailing are broken down into three distribution components:

- Notice – Initial and optional second Notice.
- Full Package – Hard-copy materials to the shareholders who have expressly consented to receiving a full set of materials
- Fulfillment – Subsequent hard copy material requests from shareholders who initially received the Notice.

The printing and mailing of the Notice, Full Packages and Fulfillment materials follow the same print, insertion and quality control procedures from regular (non-Notice and Access) print jobs with the exception that POQA does not create a control envelope for Fulfillment. Additionally, on a daily basis, POQA reviews the Fulfillment Exception Report to identify and address any pending fulfillment requests escalating it to the appropriate areas in a timely manner.

The Notice & Access application also keeps track of the inventory of materials. Whenever a fulfillment request brings the inventory below a previously defined threshold, the system automatically sends an e-mail notifying the client.

#### *Reorg Event Library*

The Broadridge Reorg Library is an internet-based portal that allows its clients to access voluntary corporate action documents that Broadridge has processed over a rolling period of time.

When a new corporate action print job is created in the Proxy application, Client Services for Reorganizations sends a copy of the print material to IWS\* (“Image Workflow Solutions”) for scanning.

Once the material is uploaded, Electronic Print Control (“EPC”) performs a Quality Control review by comparing the original material to the scanned version, checking that the scanned material is readable, complete and that each matches the original material.

Client Services maintains a checklist for each print job which is kept by EPC, documenting the QC procedures performed. Before making the material available to shareholders in the Reorg Event Library, Client Services reviews that all quality control procedures are completed and documented in the checklists.

### *Proxy Disclosure<sup>®</sup>*

Most registered management investment companies and investment advisors are required to file an annual report no later than August 31 of each year, containing the registrant's proxy voting record for the most recent twelve-month period ended in June 30.

ProxyDisclosure<sup>®</sup> is a service offered by Broadridge to help both advisors and investment companies to satisfy that requirement by making proxy voting results available through the Internet.

### *Investor Mailbox<sup>SM</sup>*

Investor Mailbox<sup>SM</sup> is a service offered to the financial community to help streamline multiple delivery and response channels into a single-visit financial portal that investors can access through their website. It serves as a single repository used to display status of all distributions managed by Broadridge.

## **E. Vote Collection, Tabulation and Reporting**

For domestic issuers, BICS allows shareholders to cast their votes in several ways:

**Paper Voting** - Shareholders may choose to cast their votes via a mailed paper ballot. Paper Vote Instructions/Proxies are received daily at BICS’s Edgewood facility and are prioritized according to the following guidelines:

- Processed day of receipt:
  - Items 50,000 shares and greater.
  - Items where the meeting is within five business days

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\* These applications such as IWS are not in the scope of this report. Internal controls related to these applications have intentionally been excluded from this report. Any information related to these applications has been included for informational purposes only.

- Processed within 48 hours of receipt:
  - Items fewer than 50,000 shares where the meeting date is 6-18 days from date of receipt.
- Processed within 72 hours of receipt:
  - Items fewer than 50,000 shares where the meeting date is greater than 19 days from date of receipt.

BICS personnel either scan or manually enter Paper Vote Instructions/Proxies into Proxy Plus, depending on legibility and complexity of the voting card. To verify votes are entered accurately, Vote Audit Department personnel review votes in excess of 50,000 shares and randomly select and review other votes.

**Telephone Voting** - Shareholders also have the option of casting their votes via telephone by dialing a toll free number and entering their control number. The system authenticates the control number and the voting options are spoken to the shareholder. The shareholder then submits their vote and the system sends it into Proxy Plus for processing. The system generates an audit file that tracks telephone votes received by Proxy Plus, which is reviewed by Vote Audit Department personnel on a daily basis.

**Internet Voting** - Shareholders may also cast their votes via the internet where they are required to enter their control number at the designated website. The system authenticates the control number and the vote page is launched. The shareholder then submits their vote and the system sends it into Proxy Plus for processing. The system generates an audit file that tracks internet votes received by Proxy Plus, which is reviewed by Vote Audit Department personnel on a daily basis.

**ProxyEdge Voting or Consolidated Data Feed (CDF)** - For large institutional investors voting can be accomplished via ProxyEdge or CDF. The client receives the ballot electronically on their local system. The client then votes their ballots and uploads them to the Proxy Plus system.

On a daily basis, the Vote Audit Department performs reviews utilizing Voting Reports and System Summary Counts to verify that the system is capturing the votes accurately. Vote Audit Departmental personnel also enter sample test votes via telephone and internet on a daily basis to check that the voting methods are functioning properly.

Once votes are received and processed by Proxy Plus, they are reconciled with Depository Trust and Clearing Corporation ("DTCC")\* records. A reconciliation report is utilized by management to identify any discrepancies in shares outstanding between votes received by BICS and DTCC. A difference of at least 0.05% is researched and reviewed by management 48 hours after record date to verify that the discrepancy was resolved.

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\* These external entities such as the DTCC are not in the scope of this report. Internal controls related to these entities have intentionally been excluded from this report. Any information related to these entities has been included for informational purposes only.

Once the voting is complete BICS will deliver a proxy voting report, called the Vote Tabulation Report, within a certain time period dependant on whether the client is a beneficial or registered client. The Proxy Plus system automatically generates the Vote Tabulation Report, which is a report of voting activity for a particular issuers meeting. The Vote Tabulation Report lists the voting results for banks/brokers that hold positions for that issuer. Based on information in Proxy Plus, the system will send the Vote Tabulation Report to either the issuer or their designated agent. BICS automatically issues Beneficial Vote Tabulation Reports for an issuer fifteen days before the meeting, providing the mailing was completed at least 25 days before the meeting. If the mailing was not done at least 25 days before the meeting then the initial Vote Tabulation Report is automatically issued at ten days prior to the meeting. Supplemental voting is then automatically issued everyday from nine days before the meeting through the meeting date. Voting for brokers is only issued from three days prior to the meeting through the meeting date. In addition, voting results are available 24 hours a day.

If BICS is also performing the registered mailing, the issuer can utilize BICS's tabulation services in order to receive their voting. In these situations, Proxy Plus does the total tabulation of votes and automatically issues a report that includes a summation of the beneficial and registered voting together.

For global issuers, voting instructions can be received by BICS through ProxyEdge/Consolidated Data Feed, which is a client interface application for entering votes electronically into Proxy Plus. Clients must include a "control number" for manual voting instructions in order for BICS to process the information.

Once the online voting process is complete, Proxy Plus will automatically generate and send a Daily UK, Dutch, and German Vote Instruction Spreadsheet with the Vote File and its results to BICS-Europe via e-mail. Batch production jobs are controlled and submitted by an automated job scheduler package to ensure that the Daily UK, Dutch, and German Vote Instruction Spreadsheet is generated daily and sent to BICS-Europe timely and completely. .

Upon receiving the Daily UK, Dutch, and German Vote File Spreadsheet, BICS-Europe personnel generate a checklist, which identifies Vote Files that will be processed manually or electronically through CREST and to verify electronically votes are in the correct format. Votes can be submitted electronically via CREST or physical proxy cards. The checklist generated is utilized to verify votes are processed completely and timely. On a daily basis, the team leader reviews the votes submitted electronically and manually and signs off on the checklist indicating the number of votes processed are accurate.

Global Proxy voting results are issued via electronic file delivery transmission. Proxies and control envelopes are retained in an off-site facility for four years for beneficial jobs and are archived for six years for registered jobs. Online logs are kept to catalog and track documentation currently in storage.

A Mailing Report is automatically generated from Proxy Plus on a daily basis that identifies the required mailing dates. Upon receiving the report, BICS-Europe personnel prepare a checklist to identify new mailings required by clients. The checklist is reviewed by the Team Leader to confirm new mailing requirements are captured on the checklist completely. The checklist is then utilized by BICS-Europe personnel to confirm that UK mailing services are processed completely and timely.

“Requests for Letters of Representation” are received by BICS-Europe. BICS-Europe personnel process the request on behalf of their clients. A checklist is utilized to confirm that the required documents and signatures are received and sent to clients timely. A checklist is utilized to confirm Letters of Representation are completed by the authorized signatory, copies are taken, and confirmation of delivery is obtained the following business day.

A report is sent to clients from Proxy Disclosure showing the users of the clients’ voting activity from the previous month. Personnel at BICS-Europe complete a checklist to confirm that the report is sent to clients in a complete and timely manner. The checklist is then reviewed and signed off by the Team Leader to confirm reports are sent to clients timely and completely.

## **F. General Computer Controls**

### **EDGEWOOD**

#### ***Computer Operations***

BICS personnel in Edgewood are responsible for computer operations, system software and hardware support and applications development and support for both the mainframe and distributed environments. The Network Services Group in Edgewood is responsible for performance monitoring/tuning and capacity planning in order to achieve efficient operation of applications and batch processing. The AutoSYS Job Scheduling tool is used to verify that jobs run in the correct order, at the proper time, and use the correct versions of program and data files. Only the AutoSYS administrators have update access to prevent unauthorized access to the job scheduler.

The Network Services Group is also responsible for hardware reliability monitoring of systems programming and technical support for the distributed environment. Network Operations personnel continuously monitor the system using the Site Scope and Insight Manager monitoring tools. Incomplete transmissions during processing are captured by the AutoSYS Alarm Manager and NetAlert and reported to Network Operations personnel. Incident reports, processing logs, job schedules, and equipment activity reports are monitored, and exceptions are documented and resolved via Remedy. Management meetings are held to discuss problem resolution, operational performance and development, and maintenance projects in process.

Production data is automatically backed up daily and managed by the Tivoli Storage Manager (“TSM”) Job Scheduler. Data is backed up onto tapes, which are stored at an off-site facility and back up logs are generated and record the status of backups. Only the backup administrators are authorized to make changes to the TSM job scheduler.

### ***Change Management***

A standard Systems Development Life Cycle (“SDLC”) is utilized and consists of the following phases: Requirements Management, Functional and Technical Specifications, Build, QA Test, Implementation, and Post-Implementation Review. Requests for development activities are recorded in the Clarity Workbench project planning tool and initiated through the Remedy Change Management process, which are reviewed in the Network Service Group AM Change Meeting. Changes are submitted through BICS proprietary documents called System Enhancement Requests (“SER”), Work Requests, or Problem Reports, which must be approved by the requestor’s management prior to being submitted. The Program Development group, as well as Client Services is also responsible for approving enhancement requests and assigning them to BICS programmers to develop or modify the programs. The Product Development group at the Edgewood facility is responsible for development and maintenance of mainframe and distributed applications. Responsibilities include the design, specification, coding and unit testing of both mainframe and distributed applications.

Program changes are developed in a separate environment and the Development Manager is responsible for moving it into the QA environment for testing. Once programs have been moved into the systems assurance staging area, it cannot be accessed by developers. The program is then approved by QA Management and Client Services. Once the change has been approved via the Change Authorization Form (“CAF”), a separate Deployment group migrates the code to production. Version control software, WebSphere and Visual SourceSafe, are utilized to maintain source code version control.

### ***Logical Security***

The Director of the Infrastructure Automation Team is responsible for maintaining the access security to the network. This group follows the standards set forth by the BFS Data Security committee for handling access requests for both operating system and application access, and performing administration functions. Internal users are assigned unique login IDs and internal BICS user ID requests are submitted by the users’ manager. Requests are made via Remedy, where it is reviewed and authorized by management. Client ID requests are submitted from an authorized individual at the client via e-mail and a formal request form, which is reviewed by the Account Executives and set up by the Technology Support group after approved. BFS’s Human Resource Department will notify the Network Support Group of a user’s termination date. Upon termination, user access is removed from the network and its systems, which is recorded, reviewed, and authorized via a Remedy Ticket. Client termination requests are formally sent to the Network Support Group via e-mail, which reviews the request and removes the terminated client ID from the system.

Users are required to enter a unique user ID and password in order to gain access to the system. Password parameters, such as the minimum password length, maximum invalid login attempts, password expiration, and last login parameters are defined.

### ***Physical and Environmental Security***

The Edgewood facility is controlled through the use of electronic key card access. BioMetric finger scanning technology controls the access to computer rooms and the Vote Processing area. Upon termination of an employee, Human Resources notifies Building Security via a termination report. Security personnel remove terminated employee access to the facility from the access control computer system. Visitors to the building must sign in at the front desk security station and are issued a temporary security badge, which is to be returned by the end of the day. As of June 2009, visitors no longer sign a Visitors Sign-in Log. Visitors must register themselves on a Lobbyguard kiosk where they detail their name, and who they are visiting.

Security officers are stationed at every main entrance and parking lot. There are also observation cameras that scan building entrances and computer rooms, and are monitored in the Security Office 24 hours a day, 7 days a week.

The BICS Edgewood facility is equipped with a dedicated fire protection system, which is installed throughout BICS occupied floors. The fire protection system consists of the following subsystems:

- A Fire Annunciation system, which detects both smoke and fire conditions throughout the facility and provides audible and visible annunciation in the event of a fire;
- An Early Suppression Fast Response system that utilizes a large capacity fire pump to supplement fire sprinkler standpipe pressure and volume;
- A Pre-Action system in BICS Data Center.

### **JOURNAL SQUARE**

Since BFS' spin-off from ADP, BFS' data center\* continues to be outsourced to ADP. Under the Outsource Service Agreement, change (job scheduler/application) is initiated by BICS personnel and carried out by ADP Operations. Production issues are continuously monitored by the ADP Operations Group via two shifts in the Operations Center. The BICS applications processing and network needs for its clients are supported by ADP's Data Center Service Bureau. In addition, data security is administered by ADP Data Security personnel and monitored by BICS Data Security Group.

#### **A. Computer Operations**

Job scheduling is accomplished via an automated job scheduler package IBM's Tivoli Workload Scheduler ("TWS"), formerly known as OPC, which provides the ability to control the submission of production jobs and also provides monitoring tools. The TWS Current Plan, which is a part of the automated job scheduler package, enables that production jobs are run based upon predetermined schedules, in the correct order, at the proper time, and use the correct version of the program and data files. The ADP Systems Assurance Group and the appropriate

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\* Certain controls (physical and environmental controls) related to data center are addressed in a separate report – Automatic Data Processing, Inc. Employer Services Data Center 1 ("DC1") and Data Center 2 ("DC2") SAS 70 Report on Controls placed in Operation and Tests of Operating Effectiveness relating to Specified Controls of DC1 and DC2.

personnel in the BICS Data Security Group are granted update access to the job scheduler. In order to obtain update access, an access request form must be completed and is reviewed and approved by the Director of ADP Batch Systems Assurance. Abnormal jobs or error conditions in the job scheduler are detected by the automation rules. The automation rules systematically interrogate the TWS Error Queue, and present abnormalities to several real-time monitors in the ADP Operations Center for immediate attention. In addition, a Problem Management Record (“PMR”) in Information Manager Problem Software System (“Info/Man”) is automatically created by the automation rule. Changes to the job scheduler are requested via a change request in Info/Man, which are reviewed and approved by the Development Group and Product Group at the Weekly Standard Change Meeting. In addition, changes that cannot wait for the normal change cycle are reviewed and approved at the Daily Emergency Meeting. Changes on the Daily Emergency Change Report will be reviewed and approved by all the groups that may be impacted by the change.

The ADP Operations personnel are responsible for monitoring the TWS error queue and the console 24 hours a day, 7 days a week via two shifts. Problems are documented via a PMR in the Problem Management System to ensure problems are identified, recorded, and resolved. ADP Operations personnel are responsible for assigning the problem tickets to the appropriate parties for problem resolution. A Daily Turnover Report is automatically generated from the Problem Management System which contains the problem tickets from the previous night and is reviewed by the Directors in the Daily Turnover Meeting. The Info/Man Flash Report is automatically generated to document prior night’s batch processing. A system score is systematically assigned on the Info/Man Flash Report based on the predefined processing requirements and is reviewed by the Directors in the Daily Turnover Meeting. The Info/Man Hot Items Report is generated daily and records critical production problems as well as reoccurring system problems. Also, the Problems Over 14 Days Report is generated weekly to record any unresolved problems that have been aged over 14 days. Every Friday, the Problems Over 14 Days Report and the Hot Items Report are reviewed by the Directors at the Turnover Meeting to ensure problems are resolved timely.

## **B. Change Management**

BICS and ADP Management have developed and maintained a standard System Development Life Cycle (“SDLC”) to ensure that new and modified application systems and system software, and network changes are authorized, tested, approved, and implemented timely.

Requests for development activities are recorded in the Clarity Workbench project planning tool and initiated through the Remedy Change Management process, which are reviewed in the Network Service Group (“NSG”) AM Change Meeting. Changes are submitted through BICS proprietary documents called the System Enhancement Request (“SER”), Work Requests, or Problem Reports, which must be approved by the requestor’s management prior to being submitted. The Program Development group, as well as Client Services is also responsible for

approving Enhancement requests and assigning them to BICS programmers to develop or modify the programs. The Product Development group at the Edgewood facility is responsible for development and maintenance of mainframe and distributed applications respectively. Responsibilities include the design, specification, coding and unit testing of both mainframe and distributed applications.

Development changes are controlled, managed, and documented via Info/Man and the Program Development Extension System ("PDX"). The Info/Man System is used to record production changes. The requestor needs to initiate the change via an Info/Man change ticket, detailing the information for the change. Info/Man change tickets are captured on the Weekly Standard Change Report and the Daily Emergency Change Report according to the status indicated on the Info/Man ticket. A Weekly Standard Change Meeting is conducted by the ADP Operations Group, the ADP Systems Assurance Group, the BICS Product Management Group, the Broadridge Data Center Governance Group and the Development Group. The Weekly Standard Change Report is reviewed at the Weekly Standard Meeting, and the approved changes will be implemented according to the normal change cycle. In addition, changes that cannot wait for normal change cycle will be reviewed and approved at the Daily Emergency Meeting. Changes on the Daily Emergency Change Report are reviewed and approved by different groups that may be impacted by the change. The PDX System is utilized to control program movements from the development environment to the Quality Assurance ("QA") environment and to the production environment. The PDX System is configured to limit install/promote access to ADP Systems Assurance Group. Developers' access is restricted from the production environment. The PDX System tracks the movement of programs, Job Control Language ("JCL"), PROCs, and CardLibs to warn two programmers from modifying the same code simultaneously and generates a fetch warning to the programmer should this situation occur. Once the development project is tested, completed, and approved by development management, it is promoted from the development environment to the QA environment. Once the change is migrated into the QA environment, it is subjected to a variety of testing (e.g., Unit, Regression as applicable). Additionally, clients can perform user acceptance testing ("UAT"), as needed. Once testing is completed and approval is received from the client (if applicable), it is marked as approved in a Change Authorization Form ("CAF"), and is scheduled for migration to the production environment by the ADP Systems Assurance Group. The PDX System also has a "backed out" function, which is used in the event that a previous version of code must be restored.

In the event of an emergency, only authorized programmers can submit a request to obtain emergency access to production and at that time a temporary ID and password will be issued. Once the emergency change is completed the temporary user ID and password issued is automatically reset by ADP Data Security personnel the following day. In addition, a quarterly re-certification is performed by the Development manager and the Entitlements Management Analyst to ensure only authorized programmers can request emergency access.

System software and network changes are controlled and managed by the ADP Operations via the CA Service Desk system. Change requests are discussed at the Weekly Standard Change Meeting where changes will be reviewed and approved/rejected. In addition to the weekly meetings, there is a Daily Emergency Meeting to discuss emergency changes that are of an immediate nature and cannot wait for the standard change meeting. The ADP Operations Group utilizes CA Service Desk ("CA") ticket to record system software and network changes.

### C. Logical Security

BICS outsourced part of the data security function to ADP. The ADP and BICS Data Security Groups work together to provide system security administration for both BICS internal users and client users. Internal BICS user ID requests are submitted by the users' manager to the BICS Data Security Group. Client user ID requests are submitted by an authorized client representative to the BICS Data Security Group. Requests are made via a complete user access request form which indicates the systems the user should have access to and the privileges required to perform their job functions. User requests (internal/client) are submitted and approved through Info/Man or e-mail. Approved user requests are then submitted by the BICS Data Security Group to the ADP Data Security Group. User access is then implemented in the system by the ADP Data Security Group. BFS's Human Resource Department and ADP's Human Resource Department will notify ADP Data Security of a user's termination date. Upon termination, user access is manually suspended by the ADP Data Security personnel from the system. Twice a year ADP Data Security deletes IDs inactive for 180 days or more.

TopSecret is installed on the mainframe Operating Systems, Multiple Virtual Storage ("MVS") as a logical access control tool to control the on-line Customer Information Control System ("CICS") and Time Sharing Option ("TSO") mainframe access. System settings have been established to enforce strong encryption, password change rules, and anti-intrusion standards. The system is configured so that system auditing is enabled and security violations to critical access points are recorded. Access to the super user privileges within TSO, which allows users to modify control options and bypass security, are only assigned to systems administrators and system IDs used to perform required system maintenance functions. In the event that a user needs super user privileges, it must be requested via a change request in the Info/Man System, which is then reviewed and approved by the BICS Data Security Group in the weekly standard meetings.

Users are required to enter a unique user ID and password in order to gain access to the system. Password change is systematically enforced by the system and is required on a regular basis. A minimum password length is enforced, and the password history is set to prevent reuse of last passwords. Additionally, the system automatically logs the last login date. An automatic log off function is also enabled. If after a number of attempts a user fails to enter a valid password, the sign-on session is terminated, and the user ID is suspended requiring ADP Data Security personnel to restore it.

#### D. Physical and Environmental Security

BFS has implemented physical security controls at the Journal Square location in Jersey City, NJ to ensure that physical access is granted only to authorized personnel. BFS employees are provided with an electronic badge "key card" in order to gain access throughout the facility. New user access requests to the facility are documented on Access Card Information forms and reviewed by the Director of the user's department. Access to sensitive areas (e.g., the Battery Room etc.) must be requested by the user's department manager and documented on the Access Change Request forms. Upon termination, a termination notice is sent from the Human Resource department to the Security department via a termination report. Security personnel deactivate terminated employees' access to the facility from the access control computer system.

In the case where visitors require access to the facility, they must sign-in at the front desk of the security station. Visitors are then issued a temporary security badge or a temporary key card, both of which must be returned by the end of the day. Temporary key cards are automatically disabled at end of day. Additionally visitors who are only issued security badges, as opposed to key cards, must be escorted by a BFS employee at all times.

Security officers are stationed at main entrances to the building and parking lots 24 hours a day, 7 days a week. There is a security station where security personnel monitor security cameras which continuously scan the facility and computer rooms. Access to computer rooms is controlled by both a key card and a combination keypad. Unsuccessful attempts to enter restricted areas within the building are displayed on a monitor in the Security Station, reviewed by security personnel, and recorded on the Access Control Reports. Power to the facility is backed-up by diesel generators.

BFS is equipped with a dedicated fire protection system. The fire protection system, which is installed throughout the BFS occupied floors, consists of the following subsystems:

- A fire suppression system for designated areas, primarily computer equipment areas;
- A fire detection system for other areas, primarily office areas;
- A pre-action water sprinkler system for all floors;
- The battery room is equipped with smoke detectors and ventilators;
- The diesel pumps are equipped with smoke, fire, and flash detectors; and
- A dry air system in all other areas.

Additionally, the climate in the computer rooms is controlled via the use of air conditioning and humidity control units. In addition, third party vendor\* maintenance contracts are in place to maintain and inspect certain systems.

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\* External entities are not in the scope of this report. Internal controls related to these entities have intentionally been excluded from this report. Any information related to these entities has been included for informational purposes only.

#### IV. USER CONTROL CONSIDERATIONS

The BICS controls were designed with the assumption that certain internal controls would be implemented by the BICS' user organizations. In certain situations, the application of specific internal controls at BICS user organizations is necessary to achieve certain control objectives identified in this report. The user organizations' auditors should consider whether the user organizations have placed these controls in operation when understanding and evaluating the internal controls at their respective user organizations.

BICS user organizations and their auditors should consider controls that ensure:

- Accuracy, completeness, and timeliness of shareholder data/client positions transmitted to the Proxy Plus system.
- Timeliness of response to material requests.
- Only authorized personnel can access, sign, and submit a change request for shareholder data.
- Confirmations for changes to shareholder information are reviewed for accuracy.
- Signed ballots are returned to BICS timely.
- Timeliness and accuracy of voting instructions faxed to BICS-Europe by subscribers of "Vote Only Service."
- Proxy and meeting information is submitted by global custodians to BICS India timely.
- Voting information is reviewed for accuracy prior to submission to BICS to process.
- Client reports generated by BICS are reviewed and discrepancies communicated to BICS timely.
- Issuer information is provided to BICS in an accurate and timely manner.
- Errors on the Client Position Return report are monitored and resolved.
- Authorized users at client sites have appropriate access to ProxyEdge.

The user control considerations presented above should not be regarded as a comprehensive list of all internal controls, which should be employed by the user organizations.

**V. CONTROL OBJECTIVES AND RELATED CONTROLS PROVIDED BY BICS**

Control objectives and related controls specified by BICS are included in Section Three – Subsection IV of this report, “Information Provided by the Service Auditor Except for Control Objectives and Controls in Subsection IV Provided by BICS” to eliminate the redundancy that would result from listing them in this section and repeating them in Section Three – IV. Although the control objectives, controls, and management’s responses are included in Section Three – IV, they are, nevertheless, an integral part of BICS’ description of controls.

**SECTION THREE**

**INFORMATION PROVIDED BY THE SERVICE  
AUDITOR, EXCEPT FOR CONTROL OBJECTIVES, AND  
CONTROLS IN SUBSECTION IV PROVIDED BY BICS**

## I. INTRODUCTION

This report on the controls placed in operation and tests of operating effectiveness is intended to provide interested parties with information sufficient to obtain an understanding of those aspects of the BICS' and ADP's controls that may be relevant to a user organization's internal control, and may reduce the assessed level of control risk below the maximum for certain financial statement assertions.

Our examination was limited to selected services provided to user organizations of BICS, and accordingly, did not extend to procedures in effect at user organizations. The examination was conducted in accordance with the Statement on Auditing Standards ("SAS") No. 70 "Reports on the Processing of Transactions by Service Organizations" as amended, of the American Institute of Certified Public Accountants. It is each user's responsibility to evaluate this information in relation to controls in place at each user organization. The user organizations' and BICS' and ADP's portions of the controls must be evaluated together. If effective user organization controls are not in place, BICS' and ADP's controls may not compensate for such weaknesses.

Our examination included inquiry of the appropriate management, supervisory, and staff personnel; inspection of documents and records; observation of activities and operations, and tests of controls surrounding and provided by BICS and ADP. Our tests of controls were performed on internal controls that existed during the period January 1, 2009 to December 31, 2009, and were applied to those controls relating to control objectives specified by BICS in Section Three – IV.

## II. ELEMENTS OF THE CONTROL ENVIRONMENT

The control environment sets the tone of an organization, influencing the control consciousness of its people. It is the foundation for all other components of internal control, providing discipline and structure. In addition to tests of operating effectiveness described in the next section, our procedures included tests of the following relevant elements of BICS' control environment:

- Integrity and Ethical Values
- Commitment to Competence
- Audit Committee and the Board of Directors
- Management's Philosophy and Operating Style
- Organizational Structure
- Personnel Policies and Practices
- Assignment of Authority and Responsibility
- Risk Assessment
- Information and Communication
- Monitoring

Such tests included inquiry of the appropriate management, supervisory, and staff personnel; inspection of BICS and ADP documents and records; and observation of BICS and ADP activities and operations. The results of these tests were considered in planning the nature, timing, and extent of our testing of the control activities described in Section Three – IV.

### III. TESTS OF OPERATING EFFECTIVENESS

Our tests of the effectiveness of controls included such tests as were considered necessary in the circumstances to evaluate whether the controls, and the extent of compliance with them, is sufficient to provide reasonable, but not absolute, assurance that the specified control objectives were achieved and covered a representative number of transactions throughout the period of January 1, 2009 to December 31, 2009 for each of the controls listed in Section Three – IV. In selecting particular tests of the operational effectiveness of controls, we considered the (a) nature of the items being tested, (b) the types and competence of available evidential matter, (c) the nature of the audit objectives to be achieved, (d) the assessed level of control risk, and (e) the expected efficiency and effectiveness of the test.

Tests performed of the operational effectiveness of controls are described below:

Test	Description
Corroborative Inquiry	Made inquiries of appropriate personnel and corroborated responses with other personnel and ascertained the compliance of controls.
Observation	Observed application of specific controls.
Examination of Documentation	Inspected documents and reports indicating performance of the controls.
Re-performance	Re-performed application of controls.

## IV. CONTROL OBJECTIVES, RELATED CONTROLS, TESTS OF CONTROLS, AND TEST RESULTS

*Business Cycle Controls*

Control Objectives/Controls	Tests of Controls	Test Results
<b>A. CORPORATE ISSUER SETUP</b>		
<b>1. Controls provide reasonable assurance that new issuer information and modifications are authorized, and completely and accurately established.</b>		
1.1 The Proxy Plus application automatically sends out issuer profile requests annually via a search card based on each issuer's fiscal year-end. The profile requests are sent prior to the issuer's projected record date in order to obtain the issuer's actual record date, meeting date, and other necessary issuer information.	<p>Performed corroborative inquiry with the Vice President of Vote Audit and the Manager of Support Services, and confirmed that the Proxy Plus application automatically sends out issuer profile requests annually via a search card based on each issuer's fiscal year-end. The profile requests are sent prior to the issuer's projected record date in order to obtain the issuer's actual record date, meeting date, and other necessary issuer information.</p> <p>Observed the system configuration screen, and noted that the system was configured to send out issuer profile requests on the first day after the issuer's fiscal year end.</p> <p>For a sample of issuers, inspected a work order to send out issuer profile requests, and noted that issuer profile requests were automatically generated on the first day after the issuer's fiscal year end.</p>	No relevant exceptions noted.
1.2 Upon receipt of information from existing issuers and for setting up new issuers, BICS personnel enter the issuer information into the Proxy Plus application and the Department Leader (or the senior associate in the leader's absence) reviews the entry to verify accuracy of input.	<p>Performed corroborative inquiry with the Vice President of Vote Audit and the Manager of Support Services and confirmed that upon receipt of information from existing issuers and for setting up new issuers, BICS personnel enter the issuer information into the Proxy Plus application and the Department Leader (or the senior associate in the leader's absence) reviews the entry to verify accuracy of input.</p> <p>For a sample of issuers, inspected the Search Card for updated issuer information, and noted that reviewers' sign-offs were present.</p> <p>For a sample of issuers, compared the information on the reviewed Search Card against the information entered in the Proxy Plus system.</p>	No relevant exceptions noted.
1.3 Errors related to issuer information identified during the review process or by the issuer are documented in the Error Log. Errors identified	Performed corroborative inquiry with the Vice President of Vote Audit and the Department Leader, and confirmed that errors related to issuer information identified during the review process or by the issuer are	No relevant exceptions noted.

Control Objectives/Controls	Tests of Controls	Test Results
<p>internally are corrected by BICS personnel and reprinted. Errors that are reported by issuers are corrected and then reviewed and approved by the Department Leader for accuracy.</p>	<p>documented in the Error Log. Errors identified internally are corrected by BICS personnel and reprinted. Errors that are reported by issuers are corrected and then reviewed and approved by the Department Leader for accuracy.</p> <p>Inspected the Error Log, and for a sample of errors, noted that the errors were recorded, resolved and reviewed by the Department Leader in a complete and timely manner.</p>	
<p>1.4 All user requests (internal/clients) for system access must be submitted and approved through Info/Man or e-mail. Internal requests must be submitted by a manager, and client requests must be submitted by an authorized contact to the BICS Client Support Group. Approved user requests are then submitted by the Broadridge Data Security Group to the ADP Data Security Group. Access is then granted by the ADP Data Security Group.</p>	<p>Performed corroborative inquiry with the Entitlements Management Analyst and the Help Desk Manager and confirmed that all user requests (internal/clients) for system access must be submitted and approved through Info/Man or e-mail. Internal requests must be submitted by a manager, and client requests must be submitted by an authorized contact to the BICS Client Support Group. Approved user requests are then submitted by the Broadridge Data Security Group to the ADP Data Security Group. Access is then granted by the ADP Data Security Group.</p> <p>Inspected a system generated listing of newly added users and selected a sample of internal/client users that were added to the system, inspected the corresponding user access request forms and noted that requests were properly approved and documented. Also noted that access was granted in accordance with the access request form.</p>	<p>No relevant exceptions noted.</p>
<p>1.5 Update access is restricted to the Global Proxy Operations team and authorized personnel at BICS India. The BICS production support team is responsible for setting up each user ID with the requested level of access.</p>	<p>Performed corroborative inquiry with the Manager of Global Proxy and the Supervisor of Global Proxy, and confirmed that update access is restricted to the Global Proxy Operations team and authorized personnel at BICS India. BICS production support team is responsible for setting up each user ID with the requested level of access.</p> <p>Inspected a sample of users with update access to the Global Proxy application and noted that all users belonged to the global proxy operations team or BICS India.</p>	<p>No relevant exceptions noted.</p>
<p>1.6 Requests for system access are submitted and approved by department managers through e-mail or an access template.</p>	<p>Performed corroborative inquiry with the Manager of Global Proxy and the Supervisor of Global Proxy and confirmed that requests for system access are submitted and approved by department managers through e-mail or an access template.</p> <p>Inspected an HR system generated listing of new hires and selected a</p>	<p>No testing performed. No new users were added during the examination period, thus no testing was performed</p>

Control Objectives/Controls	Tests of Controls	Test Results
	sample of new users to the Global Proxy application, and noted that requests for system access were submitted and approved by department managers.	
1.7 Users are assigned a unique user ID. Passwords parameters, such as the minimum password length, maximum invalid login attempts, password expiration, and last login parameters are defined and systematically enforced.	<p>Performed corroborative inquiry with the Director of Data Security, and a Data Security Analyst, and confirmed that users are assigned a unique user ID. Passwords parameters, such as the minimum password length, maximum invalid login attempts, password expiration, and last login parameters are defined and systematically enforced.</p> <p>Inspected the user access list and noted that user IDs were unique and there were no generic user IDs.</p> <p>Inspected the Initialization file / parameters for TopSecret Security (relating to passwords) and noted that the system was configured to require minimum password length, maximum invalid login attempts, password expiration, and last login history.</p>	No relevant exceptions noted.
1.8 Security violations are automatically captured by Top Secret on the Security Violation Reports showing all unauthorized access attempts to production programs and data.	<p>Performed corroborative inquiry with the Entitlements Management Analyst and the BICS Help Desk Manager and confirmed that Security violations are automatically captured by Top Secret on the Security Violation Reports showing all unauthorized access attempts to production programs and data.</p> <p>Obtained and inspected a sample of Security Violations Reports and noted that invalid login attempts were recorded and maintained.</p>	No relevant exceptions noted.
<b>B. IDENTIFICATION</b>		
<b>2. Controls provide reasonable assurance that announcement information is collected and provided to clients in a timely manner.</b>		
2.1 At the end of each day, Proxy Plus automatically creates a file containing announcements for that record date. The file is made available to bank/broker clients requesting shareholder name, address, and position information.	<p>Performed corroborative inquiry with Vice President of Vote Audit and the Director of Bank/Broker Client Services, and confirmed that at the end of each day, Proxy Plus automatically creates a file containing announcements for that record date. This file is made available at the end of each day to bank/broker clients requesting shareholder name, address, and position information.</p> <p>For a sample of dates, inspected the record date lists, and noted that they were generated and made available to banks/brokers through Proxy Plus.</p>	No relevant exceptions noted.
2.2 For domestic banks/brokers, if search request	Performed corroborative inquiry with Vice President of Vote Audit and	No relevant exceptions

Control Objectives/Controls	Tests of Controls	Test Results
<p>information is not received within two days, an I/O associate will post a message on the Management Alert Report. BICS personnel use the Management Alert Report to identify, monitor, and resolve outstanding search requests to bank/broker clients. The report is reviewed daily by Client Service Representatives, department managers and senior managers for aged items. Client Service personnel will send an e-mail to the client informing them that the request is outstanding.</p>	<p>the Director of Domestic Bank/Broker Client Services and confirmed that for domestic banks/brokers, if search request information is not received within two days, an I/O associate will post a message on the Management Alert Report. BICS personnel use the Management Alert Report to identify, monitor, and resolve outstanding search requests to bank/broker clients. The report is reviewed daily by Client Service Representatives, department managers and senior managers for aged items. Client Service personnel will send an e-mail to the client informing them that the request is outstanding.</p> <p>For a sample of dates, obtained a sample of Management Alert Reports, and noted that any search requests still outstanding were recorded as alerts for client services to review and follow-up on.</p> <p>Inspected the distribution list for the Management Alert Report, and observed that Client Services personnel, department managers and senior managers received the report for review.</p> <p>For a sample of outstanding search requests noted in the Management Alert Reports, obtained corresponding e-mail notification to the bank/broker informing them the request was outstanding.</p>	<p>noted.</p>
<p>2.3 For global banks/brokers, if search request information is not received within two days, an I/O associate will post a message on the Management Alert Report. BICS personnel use the Management Alert Report to identify, monitor, and resolve outstanding search requests to bank/broker clients. The report is reviewed daily by Client Services Representatives, department managers and senior managers for aged items. Client Service personnel will call the client informing them that the request is outstanding.</p>	<p>Performed corroborative inquiry with Vice President of Vote Audit and the Director of Global Bank/Broker Client Services and confirmed that for global banks/brokers, if search request information is not received within two days, an I/O associate will post a message on the Management Alert Report. BICS personnel use the Management Alert Report to identify, monitor, and resolve outstanding search requests to bank/broker clients. The report is reviewed daily by Client Services Representatives, department managers and senior managers for aged items. Client Service personnel will call the client informing them that the request is outstanding.</p> <p>Observed BICS personnel call global banks/brokers notifying them of the missed merge date.</p> <p>For a sample of dates, obtained a sample of Management Alert Reports, and noted that any search requests still outstanding were recorded as alerts for client services to review and follow-up on.</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Tests of Controls	Test Results
	<p>Inspected the distribution list for the Management Alert Report, and observed that appropriate personnel and management received the report for review.</p> <p>For a sample of outstanding search requests noted in the Management Alert Reports, obtained email confirmation from the NOC group, and noted that the missed merge files were resolved in a timely manner.</p>	
<p>2.4 A Client Position Return Report is automatically generated and is available to the bank/broker to confirm that information is received. The PostEdge system is configured to allow the bank/broker to login to PostEdge using a unique username and password to view the report posted by record date.</p>	<p>Performed corroborative inquiry with Vice President of Vote Audit and the Director of Bank/Broker Client Services, and confirmed that a Client Position Return Report is automatically generated and is available to the bank/broker to confirm that information is received. The PostEdge system is configured to allow the bank/broker to login to PostEdge using a unique username and password to view the report posted by record date.</p> <p>Observed BICS personnel attempt to log in to the PostEdge application with an invalid username, and observed that system denied access.</p> <p>Inspected the user access list to PostEdge, and noted that each user was assigned a unique ID.</p> <p>Inspected a sample of a Client Position Return Reports, and noted that they were automatically generated and available to clients to perform validation of shareholder information loaded into Proxy Plus.</p>	<p>No relevant exceptions noted.</p>
<p>2.5 Global Proxy Plus automatically feeds Telekurs data to the Global Issuer Master File. The BICS production support team monitors the process to verify the Telekurs file is received and loaded each business day.</p>	<p>Performed corroborative inquiry with the Manager of Global Proxy and the Supervisor of Global Proxy and confirmed that Global Proxy Plus automatically feeds Telekurs data to the Global Issuer Master File. The BICS production support team monitors the process to verify the Telekurs file is received and loaded each business day.</p> <p>Inspected a sample of the Automated Telekurs Reports, and noted that the number of records input and updated to the Telekurs files were reviewed, maintained, and signed off by the Production Support team to confirm the data had been loaded.</p>	<p>No relevant exceptions noted.</p>
<p>2.6 Global Proxy Plus automatically receives meeting and agenda information via fax and SWIFT, and then updates BICS India's local server. The BICS</p>	<p>Performed corroborative inquiry with the Manager of Global Proxy and the Manager of Production Support and confirmed that Global Proxy Plus automatically receives meeting and agenda information via</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Tests of Controls	Test Results
<p>Production Support team monitors the process of updating the local server in India to verify the local server is updated in a timely manner.</p>	<p>fax and SWIFT, and then updates BICS India's local server. The BICS Production Support team monitors the process of updating local server in India to verify the local server is updated in a timely manner.</p> <p>Inspected a sample of the NetOps reports which is monitored by the Production Support team, and noted that the process of updating the local server in India is monitored to verify the local server is updated in a timely manner.</p>	
<p>2.7 Jobs that are missing meeting information are logged on a Job Status Report by BICS India. For these jobs, the job status will indicate Awaiting Information ("AI") and are resolved by the Global Proxy Operations team.</p>	<p>Performed corroborative inquiry with the Manager of Global Proxy and the Supervisor of Global Proxy, and confirmed that jobs that are missing meeting information are logged on a Job Status Report by BICS India. For these jobs the job status will indicate Awaiting Information ("AI") and are resolved by the Global Proxy Operations team.</p> <p>Selected a sample of the Job Status Reports, and noted that those jobs with a status of Awaiting Information were recorded, reviewed, and resolved in a timely manner by the Global Proxy Operations team.</p>	<p>No relevant exceptions noted.</p>
<p>2.8 Daily transmissions to the NOC in Edgewood, NY are automatically uploaded through FTP to the production server in BICS India. Every morning, an executable job on the production server in BICS India prints out the fax transmissions received. This job also generates an Excel spreadsheet that details the number of faxes sent by BICS personnel in Edgewood and the total number of pages. These details are manually compared to the fax messages printed to verify completeness of the print run.</p>	<p>Performed corroborative inquiry with the BICS India Manager and Project Lead, and confirmed that daily transmissions to the NOC in Edgewood, NJ are automatically uploaded through FTP to the production server in BICS India. Every morning, an executable job on the production server in BICS India prints out the fax transmissions received. This job also generates an Excel spreadsheet that details the number of faxes sent by BICS personnel in Edgewood as part of the transmission, total number of pages etc. These details are manually compared to the fax messages printed to verify completeness of the print run.</p> <p>For a sample of dates confirmed that the number of fax files received by BICS India reconciled to number of files printed.</p> <p>For a sample of faxes confirmed that the number of pages printed at BICS India reconciled to number of pages for each fax sent in daily transmission.</p> <p>For a sample of dates confirmed that the number of SWIFT and SSB SWIFT files sent by the NOC reconciled to number of files received by</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Tests of Controls	Test Results
<p>2.9 A daily UK meeting information spreadsheet is maintained and updated by BICS-Europe personnel for UK meeting agendas received. The physical proxy cards/meeting agendas are scanned and e-mailed to BICS India on a daily basis. Upon receiving the information, BICS India personnel set up a job in Proxy Plus to request shareholder holdings from the global custodian. Once the information is reported back, BICS India will code the meeting information into ProxyEdge.</p>	<p>BICS India.</p> <p>Performed corroborative inquiry with the Operations Manager, and confirmed that a daily UK meeting information spreadsheet is maintained and updated by BICS-Europe personnel for UK meeting agendas received. The physical proxy cards/meeting agendas are scanned and e-mailed to BICS India on a daily basis. Upon receiving the information, BICS India personnel set up a job in Proxy Plus to request shareholder holdings from the global custodian. Once the information is reported back, BICS India will code the meeting information into ProxyEdge.</p> <p>Inspected a sample of daily UK checklists and noted that UK Proxy cards received were scanned and entered into the UK Meeting spreadsheet timely and signed off by the Processor and the Team Leader.</p> <p>Selected a sample of UK Meetings from the UK Meeting Spreadsheet, and obtained the corresponding Global Proxy Plus job setup screens and ProxyEdge coding screens, and noted that sample jobs were set up to automatically send shareholder holding/position requests. Also noted that meeting information was coded into ProxyEdge completely and accurately.</p>	<p>No relevant exceptions noted.</p>
<p>2.10 BICS-Europe personnel obtain Dutch meeting information from a central meeting depository, Officiele Prijscourant once a day and record it on the Dutch Meeting Spreadsheet. The Dutch Meeting information spreadsheet is reviewed by the Team Leader and signed off to confirm that Dutch meeting information is recorded completely. BICS Europe will then e-mail the meeting information to BICS India. Upon receiving the information, BICS India personnel set up a job in Proxy Plus to request shareholder holdings from the global custodian. Once the information is reported back, BICS India will code the meeting information into ProxyEdge.</p>	<p>Performed corroborative inquiry with the Operations Manager, and confirmed that BICS-Europe personnel obtain Dutch meeting information from a central meeting depository, Officiele Prijscourant once a day and recorded it on the Dutch Meeting Spreadsheet. The Dutch Meeting information spreadsheet, which is reviewed by the Team Leader and signed off on the checklist to confirm that Dutch meeting information, is recorded completely. BICS Europe will then e-mail the meeting information to BICS India. Upon receiving the information, BICS India personnel set up a job in Proxy Plus to request shareholder holdings from the global custodian. Once the information is reported back, BICS India will code the meeting information into ProxyEdge.</p> <p>Inspected a sample of daily Dutch checklists, and noted that Dutch meetings had been entered into the Dutch Meeting Spreadsheet and reviewed by the Processor and the Team Leader. Also noted that a</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Tests of Controls	Test Results
	<p>daily spreadsheet was sent to India timely.</p> <p>Selected sample of Dutch Meetings from the Dutch Meeting Spreadsheet, and obtained the corresponding Global Proxy Plus job setup screens and ProxyEdge coding screens, and noted that sample jobs were set up to automatically send shareholder holding/position requests. Also noted that meeting information was coded into ProxyEdge completely and accurately.</p> <p>For a selection of meetings with the status CC, noted that the information entered in the Agenda coding application was reconciled with the information provided by the company.</p> <p>For a selection of meetings with the status QC, noted that outstanding items were appropriately processed and resolved timely by management.</p>	

Control Objectives/Controls	Tests of Controls	Test Results
<p>2.11 BICS-Europe personnel obtain German meeting information from the central meeting announcement depository, eBundesanzeiger, once a day and record it on the German meeting information spreadsheet. The spreadsheet is reviewed by the Team Leader and signed off to confirm German meeting information is recorded accurately and completely. BICS Europe will then e-mail the meeting information to BICS India. Upon receiving the information, BICS India personnel set up a job in Proxy Plus to request shareholder holdings from the global custodian. Once the information is reported back, BICS India will code the meeting information in English into ProxyEdge. In addition, the German specialist at BICS-Europe will code the meeting information into ProxyEdge in German, which is reviewed by the Team Leader and signed off to confirm that German meeting agenda is coded accurately.</p>	<p>Performed corroborative inquiry with the Operations Manager, and confirmed BICS-Europe personnel obtain German meeting information from a central meeting announcement depository, eBundesanzeiger, once a day and record it on the German meeting information spreadsheet. The spreadsheet is reviewed by the Team Leader and signed off to confirm German meeting information is recorded accurately and completely. BICS Europe will then e-mail the meeting information to BICS India. Upon receiving the information, BICS India personnel set up a job in Proxy Plus to request shareholder holdings from the global custodian. Once the information is reported back, BICS India will code the meeting information in English into ProxyEdge. In addition, the German specialist at BICS-Europe will code the meeting information into ProxyEdge in German, which is reviewed by the Team Leader and signed off to confirm that German meeting agenda is coded accurately.</p> <p>Inspected a sample of the daily German Checklists, and noted that German meetings had been entered into the German Meeting Spreadsheet and meeting agendas had been coded in ProxyEdge and reviewed by the Processor and the Team Leader. Also noted that a daily spreadsheet was sent to India timely.</p> <p>Selected a sample of German meetings from the German Meeting Spreadsheet, and obtained the corresponding Global Proxy Plus job setup screens and ProxyEdge coding screens, and noted that sample jobs were set up to request shareholder holding/positions. Also noted that meeting information was coded into ProxyEdge completely and accurately.</p> <p>For a selection of meetings with the status CC, noted that the information entered in the Agenda coding application was reconciled with the information provided by the company.</p> <p>For a selection of meetings with the status QC, noted that outstanding items were appropriately processed and resolved timely by management.</p>	<p>No relevant exceptions noted.</p>
<p><b>C. COMPILATION OF DATA</b></p>		

Control Objectives/Controls	Tests of Controls	Test Results
<b>3. Controls provide reasonable assurance that the loading of names and addresses into Proxy Plus is done completely, accurately, and timely.</b>		
3.1 For the Beneficial data files, Proxy Plus checks the incoming data files to confirm that data from bank/broker clients is automatically loaded into Proxy Plus. Incomplete file transmissions are recorded on the Management Alert Report, which is reviewed and resolved by Client Services. Proxy Plus will automatically generate a Client Position Load Report which includes the status of the bank/broker data file transmissions.	<p>Performed corroborative inquiry with Vice President of Vote Audit and the Director of Computer Operations, and confirmed that for the Beneficial data files, Proxy Plus checks the incoming data files to confirm that data from bank/broker clients is automatically loaded into Proxy Plus. Any incomplete file transmissions are recorded on the Management Alert Report, which is reviewed and resolved by Client Services. Proxy Plus will automatically generate a Client Position Load Report which includes the status of the bank/broker data file transmissions.</p> <p>Obtained a sample of Management Alert Reports, and noted that incomplete transmissions were reviewed by Client Services and resolved.</p> <p>Inspected sample of Client Position Loaded Report, and noted that it was automatically generated on a daily basis, and included the status of the bank/broker data file transmissions.</p>	No relevant exceptions noted.
3.2 Global Proxy Plus receives data fed from Global custodians in response to the outgoing record date file. The BICS Production Support team monitors the receipt of the client files each day.	<p>Performed corroborative inquiry with the Manager of Global Bank and the Associate Client Service Representative, and confirmed that Global Proxy Plus receives data fed from the global custodians in response to the outgoing record date file. The BICS Production Support team monitors the receipt of the client files each day.</p> <p>Inspected a sample of the NetOps reports which is monitored by the Production Support team, and noted that receipt of client data feeds by Global Proxy Plus is monitored on a daily basis.</p>	No relevant exceptions noted.

Control Objectives/Controls	Tests of Controls	Test Results
<p>3.3 Data is received from issuers via various types of media. BICS personnel send a file indicating the number of records received to Client Services via e-mail to confirm completeness of transmission. After a confirmed response is received by the issuer/Client Services, the information is loaded into Proxy Plus. BICS personnel reconcile control totals loaded into Proxy Plus to client files, and compare them to expected outcomes to verify completeness and accuracy. Differences are identified, investigated and resolved typically within one business day.</p>	<p>Performed corroborative inquiry with Vice President of Vote Audit and the Supervisor of Ballot &amp; Tape Load Group, and confirmed that data is received from issuers via various types of media. BICS personnel send a file indicating the number of records received to Client Services via e-mail to confirm completeness of transmission. After a confirmed response is received by the issuer/Client Services, the information is loaded into Proxy Plus. BICS personnel reconcile control totals loaded into Proxy Plus to client files, and compare them to expected outcomes to verify completeness and accuracy. Differences are identified and investigated typically within one business day.</p> <p>Inspected a sample of Data Conversion Request Forms for ballot/tape load, and noted that client, file and job information was detailed on the forms.</p> <p>Inspected the Reconciliation Report, and noted that the control total was reconciled to client files and that data was loaded into Proxy Plus completely and timely.</p> <p>Inspected a sample of e-mail confirmations received from issuers/Client Services, and noted that the upcoming mailing data was reviewed for accuracy and completeness of load.</p> <p>Inspected a sample of emails sent to BICS India requesting them to load the client data in Proxy Plus. Additionally, observed Proxy Plus screens to confirm that the data was accurately and timely loaded.</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Tests of Controls	Test Results
<p>3.4 The system automatically generates the Client Position Returned Report and the Shareholder Exception Report to provide a summary of the loaded records and exceptions for clients.</p>	<p>Performed corroborative inquiry with the Manager of Global Bank and the Manager of Global Proxy, and confirmed that the system automatically generates the Client Position Returned Report and the Shareholder Exception Report to provide a summary of the loaded records and exceptions for clients.</p> <p>Inspected the TWS job scheduler and noted that programs to generate the Client Position Returned Report and the Shareholder Exception Report were scheduled to run on a daily basis.</p> <p>Inspected a sample of the Client Position Return Reports and Shareholder Exception Reports, and noted that loaded records and exceptions were recorded and made available online for clients to review.</p>	<p>No relevant exceptions noted.</p>
<p><b>4. Controls provide reasonable assurance that new shareholder information and modifications are authorized, and are completely and accurately established and maintained.</b></p>		
<p>4.1 BICS provides change request forms to authorized clients for new shareholder information and modifications to existing shareholder information. When a change is requested, the client must submit a signed form with the client ID and client number, and BICS personnel verify that the signature is from an authorized individual at the client. Proxy Plus will automatically generate a report for clients to confirm completion and accuracy of the change.</p>	<p>Performed corroborative inquiry with Vice President of Vote Audit and Vote Audit personnel, and confirmed that BICS provides change request forms to authorized clients for new shareholder information and modifications to existing shareholder information. When a change is requested, the client must submit a signed form with the client ID and client number, and BICS personnel verify that the signature is from an authorized individual at the client. Proxy Plus will automatically generate a report for clients to confirm completion and accuracy of the change.</p> <p>Inspected a sample of change request forms for changes requested by clients to shareholder information, and noted that the change request forms contained the client ID, Client number and were signed by the client.</p>	<p>No relevant exceptions noted.</p>
<p>4.2 Changes or additions to shareholder holding information are automatically reported by Proxy Plus to the BICS Vote Audit Department. Vote Audit Department personnel independently verify the change to confirm it was authorized by the bank/broker, and to confirm it was entered accurately.</p>	<p>Performed corroborative inquiry with Vice President of Vote Audit and Vote Audit personnel, and confirmed that changes or additions to shareholder holding information are automatically reported by Proxy Plus to the BICS Vote Audit Department. Vote Audit Department personnel independently verify the change to confirm it was authorized by the bank/broker, and to confirm it was entered accurately.</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Tests of Controls	Test Results
	<p>Inspected the TWS scheduler and noted that programs to generate the account adjustment report were scheduled to run daily.</p> <p>Inspected a sample of changes to shareholder information, and noted that the Vote Audit Department verified the shareholder information was entered accurately, and that the shareholder information forms were signed by the client.</p>	
<p>4.3 Proxy Plus automatically generates a Global Add/Change/Delete Report daily, which details updates to global custodian data to confirm that changes each day are tracked and maintained. Management reviews this report on an as needed basis.</p>	<p>Performed corroborative inquiry with the Manager of Global Bank and the Associate Client Service Representative and confirmed that Proxy Plus automatically generates a Global Add/Change/Delete Report daily, which details updates to global custodian data to confirm that changes each day are tracked and maintained. Management reviews this report on an as needed basis.</p> <p>Inspected a sample of Global Add/Change/Delete Reports, and traced a sample of changes to client requests, and noted that modification to client data was reviewed and maintained.</p>	<p>No relevant exceptions noted.</p>
<p>4.4 Only authorized BICS personnel have the ability to add or modify shareholder information on Proxy Plus based on a request from a client. Vote Audit personnel do not have the ability to make changes to shareholder information.</p>	<p>Performed corroborative inquiry with Vice President of Vote Audit and vote audit personnel, and confirmed that only authorized BICS personnel have the ability to add or modify shareholder information on Proxy Plus based on a request from a client. Vote Audit personnel do not have the ability to make changes to shareholder information.</p> <p>Inspected an organizational chart, and noted that there was a segregation of function between the Vote Audit Department and Vote Compilation Department.</p> <p>Inspected the Proxy Plus user access listing and a Vote Audit personnel user ID listing, and noted that Vote Audit personnel did not have access to make changes to shareholder information in Proxy Plus.</p>	<p>No relevant exceptions noted.</p>
<b>D. Material Delivery</b>		
<b>5. Controls provide reasonable assurance that issuer materials are requested timely and completely received.</b>		
<p>5.1 For issuer shareholders' meetings, Proxy Plus automatically generates a material request to the issuer to identify the number of materials needed, based on the issuer's shareholder meeting date in the issuer profile information. Prior to sending the</p>	<p>Performed corroborative inquiry with Vice President of Vote Audit and Vote Audit personnel, and confirmed that for issuer shareholder meetings, Proxy Plus automatically generates a material request to the issuer to identify the number of materials needed, based on the issuer's shareholders' meeting date in the issuer profile information. Prior to</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Tests of Controls	Test Results
<p>material request, BICS personnel perform an audit of the request to verify that the shareholders of the top 50 bank/brokers clients are accounted for in this request.</p>	<p>sending the material request, BICS personnel perform an audit of the request to verify that the shareholders of the top 50 bank/brokers clients are accounted for in this request.</p> <p>For a sample of issuers, observed that material requests were automatically generated and sent out to issuers.</p> <p>Inspected a sample of the Material Request Checklist, and noted that the top 50 clients with Material Request Lists were checked and accounted for.</p>	
<p>5.2 Proxy Plus will automatically report materials that have not been received from an issuer 30 days prior to the issuer’s shareholder meeting date on the Proxy Material Call List. At that time, Proxy Plus will also automatically generate a fax to the issuer re-requesting the materials. BICS personnel use the Proxy Material Call List to monitor aged items and perform follow-up with the issuer to receive materials prior to the issuer’s shareholders’ meeting.</p>	<p>Performed corroborative inquiry with Vice President of Vote Audit and Vote Audit personnel, and confirmed that Proxy Plus will automatically report materials that have not been received from an issuer 30 days prior to the issuer’s shareholder meeting date on the Proxy Material Call List. At that time, Proxy Plus will also automatically generate a fax to the issuer re-requesting the materials. BICS personnel use the Proxy Material Call List to monitor aged items and perform follow-up with the issuer to receive materials prior to the issuer’s shareholders’ meeting.</p> <p>Inspected a sample of Proxy Material Short Call Lists, and noted that it listed issuers whose materials were not received 30 days prior to their meeting date.</p> <p>Observed the Proxy Plus system configuration, and noted that the system was configured to automatically send a fax to issuers if materials were not received 30 days prior to the meeting date.</p>	<p>No relevant exceptions noted.</p>
<p>5.3 For Corporate Reorganizations, BICS personnel review the positions of the shareholders of record to determine the number of materials needed. BICS personnel will send a request for materials to the issuer/solicitor of the reorganization. BICS personnel indicate within Proxy Plus when materials are received from the issuer/solicitor and Proxy Plus will report materials that have not been received.</p>	<p>Performed corroborative inquiry with the Vice President of Client Services and the Manager of Client Services for Reorganizations, and confirmed that for Corporate Reorganizations, BICS personnel review the positions of the shareholders of record to determine the number of materials needed. BICS personnel will send a request for materials to the issuer/solicitor of the reorganization. BICS personnel indicate within Proxy Plus when materials are received from the issuer/solicitor and Proxy Plus will report materials that have not been received.</p> <p>Inspected a sample of Nightly Notification Reports, and noted that requests were monitored and reviewed. Also, noted that details from</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Tests of Controls	Test Results
	follow up with issuers for outstanding materials were recorded and closed out timely.	
5.4 Reorg Client Services update the Job Tracking Database and reviews the Nightly Notification Report, and follow up with the issuer/solicitor to confirm that materials are received timely.	<p>Performed corroborative inquiry with the Vice President of Client Services and the Manager of Client Services for Reorganizations, and confirmed that Reorg Client Services update the Job Tracking Database and reviews the Nightly Notification Report, and follow up with the issuer/solicitor to confirm that materials are received timely.</p> <p>Inspected a sample of Nightly Notification Reports, and noted that requests were monitored and reviewed. Also, noted that follow up with issuers for outstanding materials were recorded and closed out timely.</p>	No relevant exceptions noted.
5.5 Upon receipt of reorganization materials POQA sets up a remedy ticket and the Client Service Representative assigned responsibility for the particular reorganization job processes the materials. A second Client Service Representative reviews the job to confirm completeness and accuracy of processing and approves the job by signing off on the job control envelope.	<p>Performed corroborative inquiry with the Vice President of Client Services and the Manager of Client Services for Reorganizations, and confirmed that upon receipt of reorganization materials POQA sets up a remedy ticket and the Client Service Representative assigned responsibility for the particular reorganization job processes the materials. A second Client Service Representative reviews the job to confirm completeness and accuracy of processing and approves the job by signing off on the job control envelope.</p> <p>Inspected a sample of control envelopes for reorganization jobs, and noted that Client Services Personnel signed off after their secondary review.</p>	No relevant exceptions noted.
5.6 The Client Service Representative updates the remedy ticket received from POQA and re-assigns it back to POQA with the appropriate mailing instructions to initiate the printing of the job.	<p>Performed corroborative inquiry with the Vice President of Client Services and the Manager of Client Services for Reorganizations, and confirmed that the Client Service Representative updates the remedy ticket received from POQA and re-assigns it back to POQA with the appropriate mailing instructions to initiate the printing of the job.</p> <p>Inspected a sample of remedy tickets, and noted that a remedy ticket was opened by the POQA group for reorganization print requests. Additionally, noted that a Client Service Representative updates the remedy ticket with appropriate mailing instructions and re-assigns it back to POQA.</p>	No relevant exceptions noted.
5.7 Jobs that are missing meeting information are logged on a Job Status Report by BICS India. The status will indicate Awaiting Information ("AI") and are resolved by the Global Proxy Operations	Performed corroborative inquiry with the Manager of Global Proxy and the Supervisor of Global Proxy, and confirmed that jobs that are missing meeting information are logged on a Job Status Report by BICS India. The status will indicate Awaiting Information ("AI") and	No relevant exceptions noted.

Control Objectives/Controls	Tests of Controls	Test Results
team.	<p>are resolved by the Global Proxy Operations team.</p> <p>Selected a sample of the Job Status Reports, and noted that awaiting information was recorded, reviewed, and resolved by the Global Proxy Operations team.</p>	
<p>5.8 Meetings with the status of "QC" are sent to Quality Control to review. Once this information is verified, the Quality Control personnel will manually change the meeting status to "CC" to represent that the coding was complete. Once a meeting's status is changed to "CC" no further changes to meeting information can be made.</p>	<p>Performed corroborative inquiry with the BICS India Manager and Project Lead, and confirmed that meetings with the status of "QC" are sent to Quality Control to review. Once this information is verified, the Quality Control personnel will manually change the meeting status to "CC" to represent that the coding was complete. Once a meeting's status is changed to "CC," no further changes to meeting information can be made.</p> <p>Observed that the BICS India Project Lead reviewed the meeting set-up in ProxyEdge for accuracy and completeness prior to updating the status to coding complete.</p> <p>For a selection of meetings with the status code "CC", verified that the information entered in the agenda coding application reconciled with the information provided by the company.</p>	<p>No relevant exceptions noted.</p>
<p>5.9 On a daily basis, POQA reviews the Fulfillment Exception Report to identify and address pending Notice &amp; Access fulfillment requests escalating it to the appropriate areas in a timely manner.</p>	<p>Performed corroborative inquiry with the Director of Quality Control and Supervisor of Quality Control, and confirmed that, on a daily basis, POQA reviews the Fulfillment Exception Report to identify and address pending Notice &amp; Access fulfillment requests escalating it to the appropriate areas in a timely manner.</p> <p>Obtained Fulfillment Exception Reports for a sample of dates, and noted that they were used by POQA to identify and address pending fulfillment requests and that such pending requests were escalated for follow up.</p> <p>For a sample of exceptions selected from the Fulfillment Exception Reports, inspected the job status noting that exceptions were escalated, researched and resolved in a timely manner.</p>	<p>No relevant exceptions noted.</p>
<p>5.10 The Notice &amp; Access application keeps track of the inventory of materials. Whenever a fulfillment request brings the inventory below a predefined threshold, the system automatically sends an e-mail</p>	<p>Performed corroborative inquiry with the Director of Quality Control and Supervisor of Quality Control, and confirmed that the Notice &amp; Access application keeps track of the inventory of materials. Whenever a fulfillment request brings the inventory below a predefined threshold,</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Tests of Controls	Test Results
notifying the client.	<p>the system automatically sends an e-mail notifying the client.</p> <p>Observed that the Notice &amp; Access application keeps track of the inventory of materials. Observed that when the fulfillment request brings the inventory below a predefined threshold, the system automatically sends an e-mail notifying the client.</p>	
<b>6. Controls provide reasonable assurance that volunteer corporate action documents processed by Broadridge are made available in the Reorg Event Library on a complete, accurate and timely manner.</b>		
6.1 The EPC Group reviews scanned materials checking if they are readable, all pages were scanned, and that they match the original documentation.	<p>Performed corroborative inquiry with the Manager of Client Services for Reorganizations and Client Services Representative and confirmed that EPC reviews scanned materials checking if they are readable, all pages were scanned, and that they match the original documentation.</p> <p>For a sample of volunteer corporate action print jobs, inspected emails from the EPC Group confirming they review the scanned material to confirm it was readable, all pages were scanned, and that they match the original documentation.</p> <p>For a sample of volunteer corporate action print jobs, noted that information in the Reorg Event Library was complete and in accordance to the original documentation.</p>	No relevant exceptions noted.
6.2 Before making the material available to shareholders in the Reorg Event Library, Reorg Client Services reviews that quality control procedures are completed and documented in the checklists.	<p>Performed corroborative inquiry with the Manager of Client Services for Reorganizations and Client Services Representative and confirmed that, before making the material available to shareholders in the Reorg Event Library, Reorg Client Services reviews that quality control procedures were completed and documented in the checklists.</p> <p>For a sample of volunteer corporate action print jobs, inspected the related checklists and noted that quality control procedures were completed and documented.</p>	No relevant exceptions noted.
6.3 On a daily basis, Reorg Client Services uses the Document Library Admin screen to monitor the status of additions to the Reorg Event Library and escalate issues to enforce that jobs are processed in a timely manner.	Performed corroborative inquiry with the Manager of Client Services for Reorganizations and Client Services Representative and confirmed that on a daily basis, Reorg Client Services uses the Document Library Admin screen to monitor the status of additions to the Reorg Event Library and escalate issues to enforce that jobs are processed in a timely manner.	No relevant exceptions noted.

Control Objectives/Controls	Tests of Controls	Test Results
	<p>Performed multiple observations of the Reorg Client Service representative using the Document Library Admin screen to monitor the status of print jobs and escalating issues to enforce that jobs are processed in a timely manner when required.</p>	
<p><b>7. Controls provide reasonable assurance that issuer materials for shareholders are completely and accurately printed.</b></p>		
<p>7.1 Job Schedule reports are generated several times each day via ProxyPlus listing the proxy jobs scheduled for printing that day. The information is entered into a status report maintained by the Print Operations Group to monitor for the completeness of print jobs. The status report is distributed to senior management periodically throughout the day.</p>	<p>Performed corroborative inquiry with the Vice President of Print Operations and the Senior Director of Print Operations, and confirmed that job schedule reports are generated several times each day via ProxyPlus listing the proxy jobs scheduled for printing that day. The information is entered into a status report maintained by the Print Operations Group to monitor for the completeness of print jobs. The status report is distributed to senior management periodically throughout the day.</p> <p>Obtained a sample of status reports, and noted that items were being reviewed and monitored for completeness.</p>	<p>No relevant exceptions noted.</p>
<p>7.2 The Print Operator verifies the system job number and job name, and verifies:</p> <ul style="list-style-type: none"> <li>• The correct form is loaded.</li> <li>• Verifies form and printing alignment (prints 200-300 sheets).</li> <li>• Output is verified against a template previously approved, if applicable.</li> <li>• Job information is entered into Operator Log.</li> <li>• Output is checked periodically and after print errors.</li> <li>• Output is placed in designated buckets.</li> <li>• Bucket tags are prepared that list the job name, number, and page range sequence.</li> </ul>	<p>Performed corroborative inquiry with the Vice President of Print Operations and the Senior Director of Print Operations, and confirmed that the Print Operator verifies the system job number and job name, and verifies:</p> <ul style="list-style-type: none"> <li>• The correct form is loaded.</li> <li>• Verifies form and printing alignment (prints 200-300 sheets).</li> <li>• Output is verified against a template previously approved, if applicable.</li> <li>• Job information is entered into Operator Log.</li> <li>• Output is checked periodically and after print errors.</li> <li>• Output is placed in designated buckets.</li> <li>• Bucket tags are prepared that list the job name, number, and page range sequence.</li> </ul> <p>Observed that operators compared print output to samples to verify materials were printing correctly.</p> <p>Observed that operators used bucket tags to verify that the correct number of pages were printed and identified.</p> <p>Inspected a sample of Quality Assurance Logs, and noted that job</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Tests of Controls	Test Results
	<p>statistics were recorded throughout the run of the job.</p> <p>Inspected a sample of Operator Logs, and noted that Print Operators reviewed and inspected the jobs and signed off on them to be printed.</p>	
<p>7.3 An independent Quality Assurance Inspector who does not report to the Print Department is assigned to a set of printers. The Quality Assurance Inspector checks the start of every job using the same criteria as the Print Operator, and performs spot checks every 3-5 buckets. In the event that an error is noted, the Quality Assurance Operator would notify the Print Operator. If a print job or part of a print job does not meet expected standards, and is less than 3 buckets, the Print Operator is informed and the affected pages are reprinted. If the print job is more than 3 buckets, the Print Supervisor and/or management is informed prior to the affected pages being reprinted.</p>	<p>Performed corroborative inquiry with the Vice President of Print Operations and the Senior Director of Print Operations, and confirmed that an independent Quality Assurance Inspector who does not report to the Print Department is assigned to a set of printers. The Quality Assurance Inspector checks the start of every job using the same criteria as the Print Operator, and performs spot checks every 3-5 buckets. If a print job or part of a print job does not meet expected standards, and is less than 3 buckets, the Print Operator is informed and the affected pages are reprinted. If the print job is more than 3 buckets, the Print Supervisor and/or management is informed prior to the affected pages being reprinted.</p> <p>Inspected a sample of Quality Assurance Logs, and noted that Quality Assurance Inspectors reviewed jobs for accuracy periodically throughout the job run.</p>	<p>No relevant exceptions noted.</p>
<p>7.4 Once the printed job has been completed, it is turned over to the Quality Assurance Department where the job output is compared to the criteria set forth in the job schedule. The Quality Assurance Department approves the job for release to inserting and signs off on the Quality Assurance Log.</p>	<p>Performed corroborative inquiry with the Vice President of Print Operations and the Senior Director of Print Operations, and confirmed that once the printed job has been completed, it is turned over to the Quality Assurance Department where the job output is compared to the criteria set forth in the job schedule. The Quality Assurance Department approves the job for release to inserting and signs off on the Quality Assurance Log.</p> <p>Obtained a sample of Quality Assurance Logs and noted that the Quality Assurance Department reviewed and signed off on jobs to verify completeness and accuracy.</p>	<p>No relevant exceptions noted.</p>
<p><b>8. Controls provide reasonable assurance that proxy materials are distributed to shareholders completely and in a timely manner.</b></p>		
<p>8.1 The Warehouse Department sends a sample of the incoming materials to POQA which assigns a Proxy Plus job number to the material. POQA uses the material samples and mailing instructions to determine weights, measures, postage, and media and mailing envelope requirements. This information is entered into Proxy Plus and the job</p>	<p>Performed corroborative inquiry with Vice President of Vote Audit and the Director of Quality Control, and confirmed that the Warehouse Department sends a sample of the incoming materials to POQA which assigns a Proxy Plus job number to the material. POQA uses the material samples and mailing instructions to determine weights, measures, postage, and media and mailing envelope requirements. This information is entered into Proxy Plus and the job is put into To</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Tests of Controls	Test Results
<p>is put into To Print (“TP”) status by Proxy Coding (or POQA when the Issuer is Notice and Access) and is indicated on the job schedule. A POQA QC Associate then reconciles this information in Proxy Plus to the control envelope for accuracy of input and signs the control envelope.</p>	<p>Print (“TP”) status by Proxy Coding (or POQA when the Issuer is Notice and Access) and is indicated on the job schedule. A POQA QC Associate then reconciles this information in Proxy Plus to the control envelope for accuracy of input and signs the control envelope.</p> <p>Obtained a sample of control envelopes for selected jobs, and noted that they contained mailing instructions, weights, measures, postage, and envelope requirements and departmental sign-offs.</p> <p>Observed the Job Master Inquiry Screen in Proxy Plus for the sampled jobs, and noted that the job details were entered into the system completely and accurately.</p> <p>Observed the Job Status History screen in Proxy Plus for the sample jobs, and noted the jobs were put into TP status.</p>	
<p>8.2 Once a job goes to PC status, Proxy Plus automatically generates a receive date which indicates the required timeframe of completion and is indicated on the Must Mail List, which is reviewed by Quality Control. The mail date is usually 5 business days from the receive date.</p>	<p>Performed corroborative inquiry with Vice President of Vote Audit and the Director of Quality Control, and confirmed that once a job goes to PC status, Proxy Plus automatically generates a receive date which indicates the required timeframe of completion and is indicated on the Must Mail List, which is reviewed by Quality Control. The mail date is usually 5 business days from the receive date.</p> <p>Obtained a sample of Must Mails Lists for a sample of jobs, and noted that it indicated the required timeframe of completion.</p>	<p>No relevant exceptions noted.</p>
<p>8.3 QC verification reconciles control envelopes to Proxy Plus to ensure that print jobs were QC reviewed by POQA.</p>	<p>Performed corroborative inquiry with Vice President of Vote Audit and the Director of Quality Control, and confirmed that QC verification reconciles control envelopes to Proxy Plus to ensure that print jobs were QC reviewed by POQA.</p> <p>Obtained the control envelopes for a sample of jobs, and noted that POQA signed off on the envelopes evidencing their reconciliation to Proxy Plus.</p>	<p>No relevant exceptions noted.</p>
<p>8.4 A control envelope is created by POQA that contains mailing instructions, job information (paper media, mailings type, envelope type), and sample materials. The envelope and its contents are then reviewed and signed off by Quality Control for accuracy. A job card is also</p>	<p>Performed corroborative inquiry with Vice President of Vote Audit and the Director of Quality Control, and confirmed that a control envelope is created by POQA that contains mailing instructions, job information (paper media, mailings type, envelope type), and sample materials. The envelope and its contents are then reviewed and signed off by Quality Control for accuracy. A job card is also automatically</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Tests of Controls	Test Results
<p>automatically generated at the same time as the addresses and is used to record piece counts throughout the mailing assembly process, and is reconciled to the control envelope when the job is completed.</p>	<p>generated at the same time as the addresses and is used to record piece counts throughout the mailing assembly process, and is reconciled to the control envelope when the job is completed.</p> <p>Obtained control envelopes for a sample of jobs, and noted that the envelopes contained mailing instructions, job information, and sample materials and that a reconciliation of the job card and envelope were performed. Also, noted that jobs were completely and accurately printed.</p>	
<p>8.5 A daily query is performed by the Must Mail Group of the Proxy Plus statuses to determine the required mail date for a job. Jobs meeting certain mailing criteria are placed on the Must Mail List. The daily Must Mail List is used by Production Operations to make scheduling decisions and track a job through the production process until completion and statuses have been updated. Updated lists are published throughout the day indicating the status of the job.</p>	<p>Performed corroborative inquiry with Vice President of Vote Audit and the Director of Quality Control, and confirmed that a daily query is performed by the Must Mail Group of the Proxy Plus statuses to determine the required mail date for a job. Jobs meeting certain mailing criteria are placed on the Must Mail List. The daily Must Mail List is used by Production Operations to make scheduling decisions and track a job through the production process until completion and statuses have been updated. Updated lists are published throughout the day indicating the status of the job.</p> <p>Obtained a sample of Must Mails Lists and noted that it detailed the jobs that need to be printed and maintained the statuses of jobs throughout the production process.</p>	<p>No relevant exceptions noted.</p>
<p>8.6 Production/QC personnel use Bowe One, an automated piece (envelope) counter, or Operator Logs for reconciling the number of pieces processed for mailing to the job card, and control envelope totals. Bowe One reconciliation function reads an envelope sequence number on the envelopes to be mailed and tracks the envelopes through the mail preparation process. The Operator Logs also list batch totals. QC Department personnel perform a reconciliation of envelope totals to be mailed using the Batch Tickets, Bowe One, Operator Logs, and machine counts. The completed reconciliation is evidenced on the Complete Log and placed inside the control envelope.</p>	<p>Performed corroborative inquiry with Vice President of Vote Audit and the Director of Quality Control, and confirmed that Production/QC personnel use Bowe One, an automated piece (envelope) counter, or Operator Logs for reconciling the number of pieces processed for mailing to the job card and control envelope totals. Bowe One reconciliation function reads an envelope sequence number on the envelopes to be mailed and tracks the envelopes through the mail preparation process. The Operator Logs also list batch totals. QC Department personnel perform a reconciliation of envelope totals to be mailed using the Batch Tickets, Bowe One, Operator Logs, and machine counts. The completed reconciliation is evidenced on the Complete Log and placed inside the control envelope.</p> <p>For a sample of jobs observed BOWE One screens and noted that it tracked piece counts.</p>	<p><b>Exception Noted:</b> For 7 out of 25 selections made a batch ticket or move log could not be located.</p> <p><b>Management's Response:</b> The mitigating controls for the missing Batch Ticket or Move Log for the sampled jobs include no relevant exceptions identified for the testing of controls over the completion and sign-off</p>

Control Objectives/Controls	Tests of Controls	Test Results
	<p>Inspected the envelope totals for a sample of jobs, and noted that they reconciled to the Batch Tickets, Bowe One and Operator Logs.</p> <p>Inspected the Operator Logs for a sample of jobs, and noted that the operator signed off on the piece count reconciliation.</p> <p>Inspected the Complete Log inside the control envelope for a sample of jobs, and noted that it evidenced the completed reconciliation.</p>	<p>of the Operator Logs for these jobs, properly completed job cards reconciling total pieces mailed to the control envelope, the reconciliation, review and signoff by Quality Control for these jobs verifying piece count, mail date, and postage information.</p>
<p>8.7 A Quality Control Inspector monitors the mail process and uses Job Cards and Operator Logs to document piece count, mail date, and postage information on the control envelope. The Quality Control Inspector reconciles envelope count information on the Job Card to the control envelope. The Quality Control Inspector updates the status of the job on JETS as Shipped or Short.</p>	<p>Performed corroborative inquiry with Vice President of Vote Audit and the Director of Quality Control, and confirmed that a Quality Control Inspector monitors the mail process and uses Job Cards and Operator Logs to document piece count, mail date, and postage information on the control envelope. The Quality Control Inspector reconciles envelope count information on the Job Card to the control envelope. The Quality Control Inspector updates the status of the job on JETS as Shipped or Short.</p> <p>Inspected the Job Card for a sample of jobs, and noted that it detailed the job information. Also noted that the total pieces mailed reconciled to the back of the control envelope.</p> <p>Obtained the Operator Logs for a sample of jobs, and noted that the operator signed off on piece counts.</p> <p>Obtained the control envelopes for a sample of jobs, and noted that the Quality Control Inspector signed off on piece count, mail date, and postage information.</p> <p>Observed the Quality Control Inspector reconcile envelope count information on the Job Card to the control envelope, and noted that the Quality Control Inspector updated the status of the job on JETS as Shipped or Short.</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Tests of Controls	Test Results
<p>8.8 Each completed pallet of mailings is identified by a Move Log or Auto Batch Ticket and presented to the Logistics department. Logistics presents the mail to the proper vendor for processing, and receives documentation for proof of mailing. Process Control receives the control envelope, job card, and proof of mailing, and reconciles the counts to the postal documentation to verify pieces were included in the mailing.</p>	<p>Performed corroborative inquiry with Vice President of Vote Audit and the Director of Quality Control and confirmed that each completed pallet of mailings is identified by a Move Log and presented to the Logistics department. Logistics presents the mail to the proper vendor for processing, and receives documentation for proof of mailing. Process Control receives the control envelope, job card, and proof of mailing, and reconciles the counts to the postal documentation to verify pieces were included in the mailing.</p> <p>Obtained a sample of Batch Tickets for a sample of jobs, and noted that each job was identified on the log and its location was noted.</p> <p>Obtained a sample of control envelopes for a sample of jobs, and noted they contained proof of mailing and reconciliation of counts to postal documentation.</p>	<p><b>Exception Noted:</b> For 7 out of 25 selections made a batch ticket or move log could not be located.</p> <p><b>Management's Response:</b> The mitigating controls for the missing Batch Ticket or Move Log for the sampled jobs include no relevant exceptions identified for the testing of controls over the completion and sign-off of the Operator Logs for these jobs, properly completed job card reconciling total pieces mailed to the control envelope, the reconciliation, review and signoff by Quality Control for these jobs verifying piece count, mail date, and postage information.</p>
<p>8.9 If a shareholder has elected to receive materials electronically, the system assigns the shareholder a control number which references shareholder information, for a particular issuer, for a particular vote, and for a particular date. If a job is flagged for electronic delivery, the system automatically checks the database to determine whether the shareholder's e-mail address is available and materials are automatically distributed to the e-mail address on record. If materials sent</p>	<p>Performed corroborative inquiry with the Vice President of Computer Operations and the Director of Quality Control, and confirmed that if a shareholder has elected to receive materials electronically, the system assigns the shareholder a control number which references shareholder information, for a particular issuer, for a particular vote, and for a particular date. If a job is flagged for electronic delivery, the system automatically checks the database to determine whether the shareholder's e-mail address is available and materials are automatically distributed to the e-mail address on record. If materials sent electronically via e-mail are returned undelivered, they move to an</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Tests of Controls	Test Results
<p>electronically via e-mail are returned undelivered, they move to an EFAILS queue where the system identifies the control number and automatically sends the job to the print queue where it is printed and mailed. Also, an Electronic Delivery Failure Report is generated to list of the EFAILS in the day.</p>	<p>EFAILS queue where the system identifies the control number and automatically sends the job to the print queue where it is printed and mailed. Also, an Electronic Delivery Failure Report is generated to list of the EFAILS in the day.</p> <p>Inspected a sample of the Electronic Delivery Failure Report, and noted that it was automatically generated daily for the management to review on an as needed basis.</p> <p>For a sample EFAIL, observed that the EFAIL letter was automatically printed and mailed out completely and timely.</p>	
<p><b>9. Controls provide reasonable assurance that NOBO information requests are authorized and distributed to issuers completely, accurately, and in a timely manner.</b></p>		
<p>9.1 Requests for NOBO information from issuers must originate via a written request on the issuer company letterhead or on BICS's pre-printed form. BICS Support Services personnel review the request to verify it contains CUSIP, Record Date, Intended Use, Media Requested, Accounts Sequence, and an authorized signature. If information is missing Support Services personnel contact the issuer to obtain the information. Once the form is completed, it is reviewed by Support Services personnel and input into the system.</p>	<p>Performed corroborative inquiry with the Vice President of Vote Audit and Director of Mutual Funds Client Services, and confirmed that requests for NOBO information from issuers must originate via a written request on the issuer company letterhead or on BICS's pre-printed form. BICS Support Services personnel review the request to verify it contains CUSIP, Record Date, Intended Use, Media Requested, Accounts Sequence, and an authorized signature. If information is missing Support Services personnel contact the issuer to obtain the information. Once the form is completed, it is reviewed by Support Services personnel and input into the system.</p> <p>Inspected, for a sample of requests, the BICS NOBO List Request Form/Formal Letter, and noted that the written requests were signed by an authorized representative of the issuer. Also, noted that form contained the required fields completed and information was verified for accuracy and signed off by BICS Support Services personnel.</p>	<p>No relevant exceptions noted.</p>
<p>9.2 Support Service personnel compare the information on the request to requests previously received. If a request has the same requestor and shipping address as a previously authorized request, and the record date noted on the request is within a year of the record date of the prior request, the NOBO request is processed without additional verification. If a request does not match</p>	<p>Performed corroborative inquiry with the Vice President of Vote Audit and Director of Mutual Funds Client Services, and confirmed that Support Service personnel compare the information on the request to requests previously received. If a request has the same requestor and shipping address as a previously authorized request, and the record date noted on the request is within a year of the record date of the prior request, the NOBO request is processed without additional verification. If a request does not match a previously received request or the issuer</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Tests of Controls	Test Results
<p>a previously received request or the issuer has little job history with BICS, Support Services personnel must verify the request information to Edgarfilings.com, Yahoofinance.com, Pinksheets.com, and the issuer's website. Once the information is confirmed, Support Services personnel perform a telephone confirmation. The verification is documented and includes date/time of the call and its results.</p>	<p>has little job history with BICS, Support Services personnel must verify the request information to Edgarfilings.com, Yahoofinance.com, Pinksheets.com, and the issuer's website. Once the information is confirmed, Support Services personnel perform a telephone confirmation. The verification is documented and includes date/time of the call and its results.</p> <p>Inspected, for a sample of requests, the BICS NOBO List Request Form/Formal Letter, and noted that requests were reviewed and signed off by Support Services personnel prior to entry to Proxy Plus.</p> <p>For a sample of requests, observed the Proxy Plus issuer screen, and noted that the issuer information was entered into Proxy Plus completely and accurately.</p> <p>Inspected, for a sample of requests, the details of the call with issuer (date, time, results), and noted that request information and authorized requestor was confirmed prior to processing the request.</p> <p>Inspected, for a sample of requests, evidence that verification of issuer information was performed via internet sources, and noted that issuer information was reviewed for accuracy prior to processing the request.</p>	
<p>9.3 In the event that NOBO issuer information can't be verified, Support Services personnel place the request on the "NOBO Hold List" which is forwarded to the BICS's Process Control Department who then holds the information until the issuer information is confirmed. If issuer information is not confirmed within 21 days Support Services personnel close the request.</p>	<p>Performed corroborative inquiry with the Vice President of Vote Audit and Director of Mutual Funds Client Services, and confirmed that in the event that NOBO issuer information can't be verified, Support Services personnel place the request on the "NOBO Hold List" which is forwarded to the BICS's Process Control Department who then holds the information until the issuer information is confirmed. If issuer information is not confirmed within 21 days Support Services personnel close the request.</p> <p>For a sample of unprocessed requests selected from the NOBO Hold List, obtained evidence that requests on the NOBO Hold List were not processed without confirmation of issuer information or were closed out after 21 days.</p>	<p>No relevant exceptions noted.</p>
<p>9.4 Support Services personnel review Record Date Reports and the NOBO Job Schedule to verify that NOBO requests are processed within 5 days of the</p>	<p>Performed corroborative inquiry with the Vice President of Vote Audit and Director of Mutual Funds Client Services, and confirmed that Support Services personnel review Record Date Reports and the</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Tests of Controls	Test Results
Record Date.	<p>NOBO Job Schedule to verify that NOBO requests are processed within 5 days of the Record Date.</p> <p>Inspected a sample of Record Date Reports and compared it to the NOBO Job Schedule, and noted that NOBO requests were processed within 5 days of the record date.</p>	
<p>9.5 Mutual Fund clients have the option to have annual blanket approvals for NOBO List requests. The client must sign and forward a letter documenting one year approval to send NOBO lists to authorized agents. The information on the letter is confirmed with the client and reviewed prior to putting it in effect. The Mutual Funds NOBO Request spreadsheet is updated with the expiration date of the blanket approval.</p>	<p>Performed corroborative inquiry with the Vice President of Vote Audit and Director of Mutual Funds Client Services, and confirmed that Mutual Fund clients have the option to have annual blanket approvals for NOBO List requests. The client must sign and forward a letter documenting one year approval to send NOBO lists to authorized agents. The information on the letter is confirmed with the client and reviewed prior to putting it in effect. The Mutual Funds NOBO Request spreadsheet is updated with the expiration date of the blanket approval.</p> <p>Inspected the NOBO Request spreadsheet and obtained the approval letter for a sample of blanket approval requests, and noted that they were signed by an authorized individual and the effective dates were appropriately updated in the Mutual Funds NOBO Request spreadsheet.</p>	No relevant exceptions noted.
<p><b>10. Controls provide reasonable assurance that electronic meeting, agenda, and ballot information are distributed to shareholders in a timely manner.</b></p>		
<p>10.1 The distribution job of meetings / agendas / ballots to shareholders is controlled and submitted by an automated job scheduler package. To control the jobs that are processed, Systems Assurance utilizes TWS to schedule jobs based upon predetermined schedules. The Production support team continuously monitors the TWS error queue to verify that abnormal job terminations are detected and resolved timely.</p>	<p>Performed corroborative inquiry with the Manager of Global Proxy and the Manager of Production Support, and confirmed that the distribution job of meetings / agendas / ballots to shareholders is controlled and submitted by an automated job scheduler package. To control the jobs that are processed, Systems Assurance utilizes TWS to schedule jobs based upon predetermined schedules. The Production Support team continuously monitors the TWS error queue to verify that abnormal job terminations are detected and resolved timely.</p> <p>Inspected the TWS scheduler, and noted that files were run according to the predetermined schedule.</p> <p>Observed the TWS real-time monitors in the Operation Center, and confirmed that it was monitored by Production personnel 24 hours a</p>	No relevant exceptions noted.

Control Objectives/Controls	Tests of Controls	Test Results
	<p>day.</p> <p>Inspected TWS Error queue for an abnormal job termination, and noted that abnormal job terminations were detected and handled in a timely manner.</p>	
<p>10.2 During the day AW, QC, and CC reports are generated from the PostEdge Application. Meetings are continually researched and appropriate actions taken for the timely release of meetings. The AI, AW, QC, and CC reports are sent to BICS Edgewood. The meetings that are processed during the day are also reported back to BICS through a daily EOD report which is used for record keeping and reconciliation purposes.</p>	<p>Performed corroborative inquiry with the BICS India Manager and Project Lead, and confirmed that during the day AW, QC, and CC reports are generated from the PostEdge Application. Meetings are continually researched and appropriate actions taken for the timely release of meetings. The AW, QC, and CC reports are sent to BICS Edgewood. The meetings that are processed during the day are also reported back to BICS through a daily EOD report which is used for record keeping and reconciliation purposes.</p> <p>For a selection of dates, confirmed that the AW, QC and CC reports were generated and job statuses were reported to Edgewood.</p> <p>For a selection of dates, confirmed that the AI reports were generated and job statuses were reported to Edgewood.</p>	<p>No relevant exceptions noted.</p>
<p>10.3 The Global Measurement Criteria spreadsheet is used to record and maintain the performance of meeting creation, agenda creation, and meeting accuracy. This spreadsheet is forwarded to clients for review.</p>	<p>Performed corroborative inquiry with the Manager of Global Proxy and the Supervisor of Global Proxy, and confirmed that the Global Measurement Criteria spreadsheet is used to record and maintain the performance of meeting creation, agenda creation, and meeting accuracy. This spreadsheet is forwarded to clients for review.</p> <p>Inspected a sample of the Global Measurement Criteria spreadsheets, and noted that the meeting agendas were completed, recorded, and forwarded to clients for their review.</p>	<p>No relevant exceptions noted.</p>
<p><b>11. Controls provide reasonable assurance that processing problems are recorded and resolved in a timely manner.</b></p>		
<p>11.1 For meetings where key information is missing, associates will record the missing information in an Access database, which is reported to the Edgewood Operation team through the daily AI report for further follow-up by the Edgewood Operations Team.</p>	<p>Performed corroborative inquiry with the BICS India Manager and Project Lead, and confirmed that for meetings where key information is missing, associates will record the missing information in an Access database, which is reported to the Edgewood Operation team through the daily AI report for further follow-up by the Edgewood Operations Team.</p> <p>For a selection of dates, confirmed that the AW, QC and CC reports were generated and job statuses were reported to Edgewood.</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Tests of Controls	Test Results
	<p>For a selection of outstanding information on the AI report, obtained the corresponding meeting agenda, and noted that missing information was obtained and coded into the system completely.</p>	
<p>11.2 For systematic issues, problem reports/work request/system enhancement requests must be used to track the changes/enhancements and are reviewed and approved by management.</p>	<p>Performed corroborative inquiry with the Manager of Global Proxy and the Supervisor of Global Proxy, and confirmed that for systematic issues, problem reports/work request/system enhancement requests must be used to track the changes/enhancements and are reviewed and approved by management.</p> <p>Inspected a sample of problem reports/work request/system enhancement requests, and noted that changes were requested, implemented, and approved by appropriate parties.</p>	<p>No relevant exceptions noted.</p>
<p>11.3 Exceptions pertaining to processing or production problems throughout the course of the job that are reported by clients are recorded and tracked. Issues are reviewed and resolved timely by management.</p>	<p>Performed corroborative inquiry with the Director of Client Services and the Department Leader, and confirmed that exceptions pertaining to processing or production problems throughout the course of the job or reported by clients are recorded and tracked. Issues are reviewed and resolved timely by management.</p> <p>Obtained list of exceptions or problems and inspected a sample of Remedy Tickets created for processing or production problems reported by Mutual Funds, Registered, and Reorg clients, and noted that problems were recorded, tracked, and closed out timely.</p> <p>Observed that the system automatically generated an e-mail that was sent out daily to BICS management notifying them of open Remedy Tickets and their statuses.</p>	<p>No relevant exceptions noted.</p>
<p><b>E. VOTE COLLECTION, TABULATION, AND REPORTING</b></p>		
<p><b>12. Controls provide reasonable assurance that all votes and incoming voting instructions received from authorized sources and are completely and accurately processed through the Proxy Plus system in a timely manner.</b></p>		
<p>12.1 Shareholders that have elected to use internet voting receive a specific link for voting, and enter a control number and a PIN number which is assigned when the shareholder subscribes to the system. The system authenticates the control number and PIN entered by the shareholder, and launches the vote page. The shareholder then</p>	<p>Performed corroborative inquiry with the Vice President of Vote Audit and the VP of Computer Operations, and confirmed that the shareholders that have elected to use internet voting receive a specific link for voting, and enter a control number and a PIN number which is assigned when the shareholder subscribes to the system. The system authenticates the control number and PIN entered by the shareholder, and launches the vote page. The shareholder then submits the vote,</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Tests of Controls	Test Results
<p>submits the vote, which is received by Proxy Plus for vote processing. For telephone voting, the shareholder calls and enters a control number which is authenticated by the system. The shareholders then submit their vote, which is received by Proxy Plus for processing.</p>	<p>which is received by Proxy Plus for vote processing. For telephone voting, the shareholder calls and enters a control number which is authenticated by the system. The shareholders then submit their vote, which is received by Proxy Plus for processing.</p> <p>Observed the ProxyVote voting screen, and noted that control and PIN numbers were required to log in and vote.</p> <p>Observed an attempt to vote via telephone, and noted that control and PIN numbers were required to log in and vote.</p>	
<p>12.2 The system tracks internet and telephone votes received by Proxy Plus and creates an audit file to record data. The audit file is used by Vote Audit Department personnel on an as needed basis to confirm that data is being completely received by Proxy Plus.</p>	<p>Performed corroborative inquiry with the Vice President of Vote Audit and the VP of Computer Operations, and confirmed that the system tracks internet and telephone votes received by Proxy Plus and creates an audit file to record data. The audit file is used by Vote Audit Department personnel on an as needed basis to confirm that data is being completely received by Proxy Plus.</p> <p>Inspected a sample of Telephone and Internet Logs, and noted that they were generated and reviewed by Vote Audit personnel on an as needed basis.</p>	<p>No relevant exceptions noted.</p>
<p>12.3 Paper votes are scanned or manually read to confirm a signature is present on the ballot. The system will automatically reject ballots that do not have a signature present. The ballot is then sent back to the shareholder with instructions to correct the vote defect.</p>	<p>Performed corroborative inquiry with the Vice President of Vote Audit and the VP of Computer Operations and confirmed that paper votes are scanned or manually read to confirm a signature is present on the ballot. The system will automatically reject ballots that do not have a signature present. The ballot is then sent back to the shareholder with instructions to correct the vote defect.</p> <p>Inspected the Shift Summary Report, and noted that a report tracking proxies with “no signatures” is generated and reviewed by Vote Processing personnel.</p> <p>Observed that Proxy Plus is configured to automatically generate a mailing to shareholders who failed to sign their ballot.</p>	<p>No relevant exceptions noted.</p>
<p>12.4 BICS-Europe personnel generate a checklist of Vote Files to be processed, which is reviewed and signed off by the Team Leader on a daily basis to verify that discrepancies are resolved.</p>	<p>Performed corroborative inquiry with the BICS-Europe Operations Manager and Team Leader and confirmed that BICS- Europe personnel generate a checklist of Vote Files to be processed, which is reviewed and signed off by the Team Leader on a daily basis to verify that discrepancies are resolved.</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Tests of Controls	Test Results
	Inspected a sample of checklists, and noted that vote files were processed and exceptions were investigated timely. Also noted that they are signed off by the Team Leader.	
12.5 On a daily basis the system automatically generates the Vote Update Reject Report to monitor the voting process. Exceptions are monitored and investigated by the Institution Client Services Team.	<p>Performed corroborative inquiry with the Manager of Institution Client Services and the Supervisor of the Client Services, and confirmed that on a daily basis the system automatically generates the Vote Update Reject Report to monitor the voting process. Exceptions are monitored and investigated by the Institution Client Services Team.</p> <p>Inspected a sample of Vote Update Reject Reports, and noted that exceptions were investigated and reviewed by the Institution Client Service Team Manager daily.</p> <p>For a sample of exceptions, observed Proxy Plus screens, and noted that the exceptions were resolved and votes were recorded accurately and timely.</p>	No relevant exceptions noted.
12.6 On a daily basis, the Vote Audit Department compares the voting summary from PostEdge for a sample of five clients of five issuers to the voting detail in ProxyPlus to confirm the accuracy of votes processed.	<p>Performed corroborative inquiry with the Vice President of Vote Audit and Vote Audit Personnel and confirmed that on a daily basis, the Vote Audit Department compares the voting summary from PostEdge for a sample of five clients of five issuers to the voting detail in ProxyPlus to confirm the accuracy of votes processed.</p> <p>Obtained a sample of System Summary Reports, and noted that Vote Audit Department personnel reviewed the summary reports for Postedge and Proxy Plus for agreement and accuracy and were signed off by Vote Audit Department personnel.</p>	No relevant exceptions noted.
12.7 Paper votes received in excess of 50,000 shares are checked for accuracy by two different individuals in the Vote Audit Department.	<p>Performed corroborative inquiry with the Vice President of Vote Audit and Vote Audit Personnel, and confirmed that paper votes received in excess of 50,000 shares are checked for accuracy by two different individuals in the Vote Audit Department.</p> <p>Inspected a sample of 50K Share Reconciliation reports, and noted that the reports were checked and signed off by two Vote Audit Department personnel.</p>	No relevant exceptions noted.
12.8 On a daily basis, management submits a sample of test votes via telephone and the internet to confirm these methods for voting are functioning properly.	Performed corroborative inquiry with the Vice President of Vote Audit and Vote Audit Personnel management, and confirmed that on a daily basis, management submits a sample of test votes via telephone and the	No relevant exceptions noted.

Control Objectives/Controls	Tests of Controls	Test Results
	<p>internet to confirm these methods for voting are functioning properly.</p> <p>Inspected a sample of ballots for voting performed by management for internet and telephone votes, and reconciled with the Telephone and Internet Logs or Proxy Plus, and noted that management checked these voting methods daily.</p>	
<p>12.9 Access to ProxyEdge is controlled through the use of unique login IDs and passwords.</p>	<p>Performed corroborative inquiry with the Manager of Institution Client Services and the Supervisor of the Client Services, and confirmed that access to ProxyEdge is controlled through the use of unique login IDs and passwords.</p> <p>Observed the login screen for ProxyEdge, and noted that user ID and password were required to access the system. Also, noted that the system prompted the user to change the default password.</p> <p>Inspected the User ID access listing to ProxyEdge, and noted that User IDs were unique.</p>	<p>No relevant exceptions noted.</p>
<p>12.10 BICS client access is provided upon an authorized request from the client, which is submitted to the Technology Support Group. The request is reviewed by the Data Security Group and if properly authorized, access is established.</p>	<p>Performed corroborative inquiry with the Head of European Bureau Operations and the Development Quality Control Manager and confirmed that BICS client access is provided upon an authorized request from the client, which is submitted to the Technology Support Group. The request is reviewed by the Data Security Group and if properly authorized, access is established.</p> <p>For a sample of client users, obtained the corresponding user access request forms and noted that client user requests were received from authorized client personnel.</p> <p>Observed that addressed client user access requests were established accurately and timely.</p>	<p>No relevant exceptions noted.</p>
<p>12.11 When clients need to manually amend their electronic voting instructions, a control number must be used in order to authenticate the client.</p>	<p>Performed corroborative inquiry with the Manager of Institution Client Services and the Supervisor of the Client Services and confirmed that when clients need to manually amend their electronic voting instructions, a controls number must be used in order to authenticate the client.</p> <p>Inspected the application setting, and noted that clients were required to sign onto ProxyEdge to input a valid control number to amend their</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Tests of Controls	Test Results
	voting instructions. Also noted, that ProxyEdge required a User ID and password when signing on to the system.	
<b>13. Controls provide reasonable assurance that voting reports are accurately completed and delivered to the issuer or sub-custodian in a timely manner.</b>		
<p>13.1 In the Proxy Plus system, a feed is provided by DTC for DTC Overvote Service clients. The positions received validate the number of votes that can be counted prior to issuing the Client Proxy Report. In the Tabulation System, a second feed is provided by DTC for all banks/brokers and authorized by the issuer. Separate calculations are performed to allocate the voteable position that each bank/broker is entitled to vote. The Vote Confirm process exists to provide updates to the banks/brokers who subscribe to the service. In the event that the bank/broker is representing and voting more shares than what is determined by the Tabulator, a Tabulator Overvote Alert is e-mailed to the bank/broker advising them that all votes are not included in the Tabulation Report. The bank/broker can then make the adjustment or advise the Tabulator of the additional shares that they are entitled to vote.</p>	<p>Performed corroborative inquiry with the Vice President of Vote Audit and the Senior Director of Client Services, and confirmed that in the Proxy Plus system, a feed is provided by DTC for DTC Overvote Service clients. The positions received validate the number of votes that can be counted prior to issuing the Client Proxy Report. In the Tabulation System, a second feed is provided by DTC for all banks/brokers and authorized by the issuer. Separate calculations are performed to allocate the voteable position that each bank/broker is entitled to vote. The Vote Confirm process exists to provide updates to the banks and brokers who subscribe to the service. In the event that the bank/broker is representing and voting more shares than what is determined by the Tabulator a Tabulator Overvote Alert is e-mailed to the bank/broker advising them that all votes are not included in the Tabulation Report. The bank/broker can then make the adjustment or advise the Tabulator of the additional shares that they are entitled to vote.</p> <p>Observed that, if the Client is an "Overvote" subscriber, the system automatically compares voted shares and total shares per a file received from DTC and sends an e-mail notifying the bank/brokers when "overvotes" are detected. Observed that in these cases, "overvotes" are automatically excluded in the Tabulation Report.</p>	<p>No relevant exceptions noted.</p>
<p>13.2 The vote processing and vote issuance processes are controlled and submitted by an automated job scheduler. To control the jobs that are processed, Systems Assurance utilizes TWS to schedule jobs based upon predetermined schedules. The Production Support team continuously monitors the TWS error queue to confirm that abnormal job terminations are detected and appropriately corrected.</p>	<p>Performed corroborative inquiry with the Manager of Network Operation and the Manager of Proxy, and confirmed that the vote processing and vote issuance processes are controlled and submitted by an automated job scheduler. To control the jobs that are processed, Systems Assurance utilizes TWS to schedule jobs based upon predetermined schedules. The Production Support team continuously monitors the TWS error queue to confirm that abnormal job terminations are detected and appropriately corrected.</p> <p>Inspected the TWS scheduler, and noted that files were run according to the predetermined schedule.</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Tests of Controls	Test Results
	<p>Observed the TWS real-time monitors in the Network Operation Center, and noted that it was monitored by Production Support personnel 24 hours a day.</p> <p>Inspected TWS Error queue for an abnormal job termination, and noted that abnormal job terminations were detected and resolved in a timely manner.</p>	
<p>13.3 Proxy Plus will automatically generate and send a Daily UK, Dutch, and German Vote Instruction Spreadsheet with the Vote Files containing the processed internet votes to BICS-Europe, where the final UK, Dutch, and German voting instructions will be processed on a daily basis. Additionally BICS-Europe UK processing personnel generate a Daily Post Checklist, which identifies Vote Files that will be processed manually or electronically through Crest to confirm Vote Files are processed timely and completely. A second checklist is utilized and signed off by BICS-Europe to confirm the Vote File from Edgewood is received on a daily basis.</p>	<p>Performed corroborative inquiry with the Operations Manager, and confirmed that the Proxy Plus will automatically generate and send a Daily UK, Dutch, and German Vote Instruction Spreadsheet with the Vote Files containing the processed internet votes to BICS-Europe, where the final UK, Dutch, and German voting instructions will be processed on a daily basis. Additionally BICS-Europe UK processing personnel generate a Daily Post Checklist, which identifies Vote Files that will be processed manually or electronically through Crest to confirm Vote Files are processed timely and completely. A second checklist is utilized and signed off by BICS-Europe to confirm the Vote File from Edgewood is received on a daily basis.</p> <p>Inspected a sample of checklists, and noted that BICS-Europe personnel sign off that the electronic voting instructions were received daily.</p> <p>Inspected a sample of Daily Post Checklists, and noted that they identify Vote Files that were processed manually or electronically through Crest.</p> <p>Inspected a sample of Daily Vote Instruction Spreadsheet, and noted that files were received timely and completely.</p> <p>Obtained a sample of UK Vote Instruction Spreadsheets and selected sample of Vote Files and the corresponding CREST record (electronically processed votes), and noted that votes were processed accurately and timely.</p> <p>Obtained a sample of UK, Dutch, and German Vote Instruction Spreadsheets, selected sample of Vote Files and the corresponding</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Tests of Controls	Test Results
	physical proxy cards (manually processed votes), and noted that votes were processed accurately and timely.	
13.4 On a daily basis, the Vote Tabulation Group monitors a calendar illustrating the Vote Reports that need to be sent out for the day. The Vote Reports are printed, manually converted into a PDF and sent out via email to a preset distribution list. The distribution list is provided by RICS Client Services and documented in the Vote Matrix.	<p>Performed corroborative inquiry with the Vice President of Vote Audit and the Senior Director of Client Services, and confirmed that on a daily basis, the Vote Tabulation Group monitors a calendar illustrating the Vote Reports that need to be sent out for the day. The Vote Reports are printed, manually converted into a PDF and sent out via email to a preset distribution list. The distribution list is provided by RICS Client Services and documented in the Vote Matrix.</p> <p>Observed that Client Services personnel review the Vote Matrix to confirm that the voting results and destination of the Vote reports is accurate.</p> <p>For a sample of meetings, inspected e-mails with vote counts sent by the Vote Tabulation Group, and noted that the e-mail was sent to the preset distribution list documented in the Vote Matrix.</p>	No relevant exceptions noted.
13.5 At the end of each day, an email confirmation is sent by the Vote Tabulation Group reconciling the total vote reports that were expected to be sent out versus the total vote reports sent out. Any differences are researched and resolved or reasons are documented.	<p>Performed corroborative inquiry with the Vice President of Vote Audit and the Senior Director of Client Services, and confirmed that at the end of each day, an email confirmation is sent by the Vote Tabulation Group reconciling the total vote reports that were expected to be sent out versus the total vote reports sent out. Any differences are researched and resolved or reasons are documented.</p> <p>For a sample of days, inspected e-mails with expected and actual vote reports sent by the Vote Tabulation Group, and noted that the any differences were researched and resolved.</p>	No relevant exceptions noted.
13.6 Vote Audit Department personnel review a transmission log file to validate that each tabulator or issuer received their vote data via an electronic file delivery transmission.	<p>Performed corroborative inquiry with the Vice President of Vote Audit and the Senior Director of Client Services, and confirmed that Vote Audit Department personnel review a transmission log file to validate that each tabulator or issuer received their vote data via an electronic file delivery transmission.</p> <p>Obtained a sample of transmission logs, and noted that transmissions to clients were logged and Vote Audit Department personnel had reviewed the logs to validate the transmission of the vote data.</p>	No relevant exceptions noted.
13.7 Global Proxy Plus automatically generates control reports (i.e. batch reports) to monitor outgoing	Performed corroborative inquiry with the Manager of the Global Proxy and the Supervisor of the Global Proxy and confirmed that Global	No relevant exceptions noted.

Control Objectives/Controls	Tests of Controls	Test Results
<p>electronic file delivery transmissions.</p>	<p>Proxy Plus automatically generates the control reports (i.e. batch reports) to monitor outgoing electronic file delivery transmissions.</p> <p>Inspected a sample of control reports and noted that electronic file delivery transmission outgoing files were recorded and maintained.</p>	
<p>13.8 A report is automatically generated from PostEdge on a daily basis to confirm jobs are running on the predefined schedules, BICS utilizes an automated job scheduler. A Problem Management Report (“PMR”) is automatically generated should an error condition arise. The Operations Support Group monitors the job scheduler error queue continuously. PMRs are assigned by the Operations Support Group to the appropriate personnel for problem resolution. Production issues are reviewed at the daily Turnover Meeting and to confirm problem resolution.</p>	<p>Performed corroborative inquiry with the Operations Manager, and confirmed that a report is automatically generated from PostEdge on a daily basis to confirm jobs are running on the predefined schedules, BICS utilized an automated job scheduler. A Problem Management Report (“PMR”) is automatically generated should an error condition arise. The Operations Support Group monitors the job scheduler error queue continuously. PMRs are assigned by the Operations Support Group to the appropriate personnel for problem resolution. Production issues are reviewed at the daily Turnover Meeting and to confirm problem resolution.</p> <p>Submitted an error job to the job scheduler and noted that the automation rule detected the error and an e-mail alert was sent to the Operations Support Group and the Service Bureau for immediate attention.</p> <p>Inspected a sample of PMRs generated for production errors, and noted that errors were identified, documented, and resolved in a timely manner.</p> <p>Inspected a sample of Info/Man’s Shift Director’s Turnover Reports, and noted that processing problems were recorded and maintained.</p> <p>Performed multiple observations of Daily Turnover Meetings, and noted that the Shift Director’s Turnover Report was reviewed and production problems were discussed at the Daily Turnover Meeting.</p> <p>Inspected sample reports generated from Proxy Plus, and noted that reports were generated and daily mailing was identified.</p>	<p>No relevant exceptions noted.</p>
<p>13.9 Upon receiving the Voting Report, BICS-Europe personnel prepare a checklist to identify new mailings required by clients. The checklist is reviewed by the BICS-Europe Team Leader to</p>	<p>Performed corroborative inquiry with the Operations Manager, and confirmed upon receiving the report, BICS-Europe personnel prepare a checklist to identify new mailings required by clients. The checklist is reviewed by the BICS-Europe Team Leader to confirm new mailing</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Tests of Controls	Test Results
<p>confirm new mailing requirements are processed completely and timely.</p>	<p>requirements are processed completely and timely.</p> <p>Inspected sample checklists, and noted that they were reviewed by the BICS-Europe Team Leaders. Also noted that client mailing were completed timely.</p>	
<p>13.10 A report is sent to clients from Proxy Disclosure showing the users of the clients' voting activity from the previous month. Personnel at BICS-Europe complete a checklist to confirm that the report is sent to clients in a complete and timely manner. The checklist is then reviewed and signed off by the BICS-Europe Team Leader.</p>	<p>Performed corroborative inquiry with the Operations Manager, and confirmed that a report is sent to clients from Proxy Disclosure showing the users of the clients' voting activity from the previous month. Personnel at BICS-Europe complete a checklist to confirm that the report is sent to clients in a complete and timely manner. The checklist is then reviewed and signed off by the BICS-Europe Team Leader.</p> <p>Inspected a sample of checklists, and noted that reports were sent to clients timely. Also noted that checklists were reviewed by the BICS-Europe Team Leader.</p>	<p>No relevant exceptions noted.</p>
<p><b>14. Controls provide reasonable assurance that voting materials are retained.</b></p>		
<p>14.1 Proxies and control envelopes are retained in an off-site facility for four years for beneficial jobs and are archived for six years for registered jobs. Online logs are kept to catalog and track documentation currently in storage.</p>	<p>Performed corroborative inquiry with the Vice President of Vote Audit and Vote Audit Personnel, and confirmed that proxies and control envelopes are retained in an off-site facility for four years for beneficial jobs and are archived for six years for registered jobs. Online logs are kept to catalog and track documentation currently in storage.</p> <p>Observed a sample of transmittal forms, and noted that beneficial jobs are retained by management for four years and registered jobs are retained by management for six years.</p>	<p>No relevant exceptions noted.</p>
<p>14.2 A report is periodically produced for archived offsite records that have been held for a period greater than four years. Items appearing on the report are reviewed and approved for destruction if appropriate. Management monitors the status of archived records to ensure documentation is retained as necessary for potential recall.</p>	<p>Performed corroborative inquiry with the Vice President of Vote Audit and Vote Audit Personnel, and confirmed that a report is periodically produced for archived offsite records that have been held for a period greater than four years. Items appearing on the report are reviewed and approved for destruction if appropriate. Management monitors the status of archived records to ensure documentation is retained as necessary for potential recall.</p> <p>Observed the Iron Mountain on-line tool used by management to monitor the status of archived records, and noted that aging reports were kept and monitored.</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Tests of Controls	Test Results
	Inspected the Iron Mountain Certificate of Destruction and the preliminary destruction listing, and noted that items eligible for destruction were reviewed and approved by management prior to their destruction.	
<b>15. Controls provide reasonable assurance that requests for Letters of Representation are processed and distributed completely, accurately, and in a timely manner.</b>		
15.1 BICS-Europe processes "Requests for Letters of Representation" on behalf of their clients. A checklist is utilized to confirm that letters are processed and distributed completely, accurately, and in a timely manner	<p>Performed corroborative inquiry with the Operations Manager and Director of European Voting Operations, and confirmed that BICS-Europe processes "Requests for Letters of Representation" on behalf of their clients. A checklist is utilized to confirm that letters are processed and distributed completely, accurately, and in a timely manner</p> <p>Inspected a sample of Requests for Letters of Representation and corresponding checklists, and noted that requests were processed and distributed completely, accurately, and in a timely manner.</p>	No relevant exceptions noted

**General Computer Controls (Distributed Environment)**

Control Objectives/Controls	Test of Controls	Test Results
<b>A. COMPUTER OPERATIONS</b>		
<b>1. Controls provide reasonable assurance that jobs are scheduled and changes are authorized; deviations and processing problems are identified and resolved in a complete, accurate, and timely manner.</b>		
<p>1.1 Production jobs are controlled and submitted by an automated job scheduler package, which verifies that jobs are run in the correct order, at the proper time, and use the correct versions of program and data files. Jobs are reviewed daily by Network Operations Personnel to verify jobs run in accordance with predetermined schedules. Troubleshooting and escalation procedures for jobs are also maintained in case of abnormal terminations.</p>	<p>Performed corroborative inquiry with the Director of Network Services and the AutoSYS System Administrator, and confirmed that production jobs are controlled and submitted by an automated job scheduler package, which verifies that jobs are run in the correct order, at the proper time, and use the correct versions of program and data files. Jobs are reviewed daily by Network Operations personnel to verify jobs run in accordance with predetermined schedules. Troubleshooting and escalation procedures for jobs are also maintained in case of abnormal terminations.</p> <p>Observed the job scheduling tool, and noted that there are predefined dates and times for jobs scheduled to run.</p> <p>Observed the job scheduler log online for a sample of dates, and noted that jobs ran in accordance to predetermined schedules and to normal completion. Selected a sample of failed jobs and observed that they were resolved in a timely manner.</p> <p>Inspected the Troubleshooting and Escalation Procedures for a sample of failed jobs, and noted that steps to resolve job failures and escalation procedures were maintained and followed.</p>	<p>No relevant exceptions noted.</p>
<p>1.2 Changes to the job schedule must originate with an authorized request through Remedy and are completed by the job scheduler administrator. The changes are reviewed and approved via the Change Meeting Approval Report and Change Meeting Completion Reports.</p>	<p>Performed corroborative inquiry with the Director of Network Services and the AutoSYS System Administrator, and confirmed that changes to the job schedule must originate with an authorized request through Remedy and are completed by the job scheduler administrator. The changes are reviewed and approved via the Change Meeting Approval Report and Change Meeting Completion Reports.</p> <p>Inspected the Remedy Tickets for a sample of changes to the AutoSYS job schedule, and noted that Remedy Tickets for changes were reviewed and approved.</p> <p>Inspected the Change Meeting Approval Report and Change Meeting</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
<p>1.3 The job scheduler is logically protected and restricted to authorized individuals. Additionally, update access is approved by the Job Scheduler Administrator.</p>	<p>Completion Report for a sample of job schedule change requests, and noted that change requests were formally reviewed and approved.</p> <p>Performed corroborative inquiry with the Director of Network Services and the AutoSYS System Administrator, and confirmed that the job scheduler is logically protected; update access is approved by the job scheduler Administrator.</p> <p>Inspected the list of users and their associated access rights to the AutoSYS job scheduler, and noted that access is restricted to authorized personnel.</p> <p>Inspected the password settings for the AutoSYS job scheduler and noted that password parameters such as the minimum password length, maximum invalid login attempts, password expiration, password history and complexity are defined</p>	<p>No relevant exceptions noted.</p>
<p>1.4 The Broadridge Command Center (“BCC”) monitors Web based transactions and Network Equipment availability. These systems are monitored by Network Operations personnel.</p>	<p>Performed corroborative inquiry with the Director of Network Services and the Director of Network Control Shift, and confirmed that the Broadridge Command Center (“BCC”) monitors Web based transactions and Network Equipment availability. These systems are monitored by Network Operations personnel.</p> <p>During tours of the Broadridge Command Center, observed that Insight Manager and Site Scope monitoring tools were in place and being monitored by Network Operations personnel.</p> <p>Observed the Site Scope monitoring tool, and noted that the availability of web-based transactions was monitored by the Network Operations personnel and events were logged.</p> <p>Observed the Insight Manager monitoring tool, and noted that server hardware status was monitored and events were logged.</p>	<p>No relevant exceptions noted.</p>
<p><b>2. Controls provide reasonable assurance that processing problems are recorded and resolved in a timely manner.</b></p>		
<p>2.1 The job scheduler sends client information in batches to the mainframe several times a day for processing by Proxy Plus. Transmissions from the front-end application to the mainframe are monitored by Network Operations personnel.</p>	<p>Performed corroborative inquiry with the Director of Network Services and the Director of Network Control Shift, and confirmed that the job scheduler sends client information in batches to the mainframe several times a day for processing by Proxy Plus. Transmissions from the front-end application to the mainframe are monitored by Network Operations personnel.</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
	<p>Observed the AutoSYS Alarm Manager, and noted that unsuccessful transmissions were identified and recorded.</p> <p>Inspected the AutoSYS Job Failures Report, and noted that job failures are captured and reported to Network Operations personnel for timely resolution..</p> <p>Inspected the NETOPS AM Turnover Report for a sample of dates, and noted that incomplete transmissions were identified and resolved timely.</p>	
<p>2.2 Processing problems for web-transactions are reported to key personnel via e-mail alerts sent by the monitoring system. The BICS Support personnel log exceptions including problems reported by clients to their Client Services Representatives into the Problem Management System. A report is generated and contains information such as submitter's name, description of the problem, individual assigned, status of the case, and resolution on the case record.</p>	<p>Performed corroborative inquiry with the Director of Network Services and the Director of Network Control Shift, and confirmed that processing problems for web-transactions are reported to key personnel via e-mail alerts sent by monitoring system. The BICS Support personnel log exceptions including problems reported by clients to their Client Services Representatives into the Problem Management System. A report is generated and contains information such as submitter's name, description of the problem, individual assigned, status of the case, and resolution on the case record.</p> <p>Observed the SiteScope monitoring tool displaying alerts and corresponding error on NetAlert inbox, and noted that mailbox displayed alerts.</p> <p>Observed the Insight Manager tool displaying alerts and corresponding error on NetAlert inbox, and noted that it displayed device status and uncleared event status of critical, major, minor, normal, or unknown.</p> <p>Observed that e-mail were automatically generated and sent by NetAlert to appropriate personnel for sample of abnormal job terminations.</p> <p>Observed management's review of the Production Issues Incident Report for complete and timely resolution of production issues.</p> <p>For a sample of dates, inspected the Production Issues Incident Report, and noted that the report contained details of such as the submitter's</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
<p>2.3 On a daily basis, production problems are presented and reviewed at the Daily Network Operations Center Production Meeting. At this meeting, management reviews and follows up on open problem tickets.</p>	<p>name, description of the problem, individual assigned, status of the case, and resolution on the case record.</p> <p>Performed corroborative inquiry with the Director of Network Services and the Director of Network Control Shift, and confirmed that on a daily basis, production problems are presented and reviewed at the daily Network Operations Center Production Meeting. At this meeting, management reviews and follows up on open problem tickets.</p> <p>Performed multiple observations of the Daily Network Operations Center Production Meeting, and noted that production issues reported during the day are reviewed by management.</p> <p>For a sample of dates, inspected the following documentary evidence:</p> <ul style="list-style-type: none"> <li>• Production Issues Incident Report, and noted that it contained a summary of open items that are discussed in the Network Operations Center Production meeting.</li> <li>• NETOPS AM Turnover Report, and noted that it detailed the status of the batch jobs and displayed batch updates, job failures, and summary totals.</li> <li>• Problem/Change Control Sign in Sheet for the Network Operations Center meeting and noted that the meetings took place and that meeting chairperson signed off on problems being resolved.</li> </ul>	<p>No relevant exceptions noted.</p>
<p><b>3. Control provides reasonable assurance that data is backed up and retained.</b></p>		
<p>3.1 Back-up procedures are documented, maintained and accessible to BICS personnel.</p>	<p>Performed corroborative inquiry with the Director of Network Services and the Director of Technical Services, and confirmed back-up procedures are documented, maintained and accessible to BICS personnel.</p> <p>Inspected the Backup and Restore Procedures document for backing up data, and noted that procedures were maintained and accessible to BICS personnel.</p>	<p>No relevant exceptions noted.</p>
<p>3.2 Production data is automatically backed up via the TSM Backup system on a daily basis, and a log is generated and available for review. Upon completion of the backup process an email notifies management of the status of the backup and any</p>	<p>Performed corroborative inquiry with the Director of Network Services and the Director of Technical Services, and confirmed that Production data is automatically backed up via the TSM Backup system on a daily basis, and a log is generated and available for review. Upon completion of the backup process an email notifies management of the status of the</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
<p>errors encountered during the backup process. Production data is retained within the TSM Backup system for 90 days.</p>	<p>backup and any errors encountered during the backup process. Production data is retained within the TSM Backup system for 90 days.</p> <p>Inspected the TSM Job schedule, and noted that backup jobs were scheduled to run daily.</p> <p>Inspected daily back-up report, for a sample of dates, and noted that it was generated and status of backup is recorded.</p> <p>Observed that the system automatically sends an email to Backup Support Personnel indicating completion of backup and any errors encountered during the backup process.</p>	
<p>3.3 Client data is backed up on to tapes, which are stored at an off-site facility. A log is kept to track the successful transfer of tapes to the off-site location.</p>	<p>Performed corroborative inquiry with the Director of Network Services and the Director of Technical Services, and confirmed that client data is backed up on to tapes, which are stored at an off-site facility. A log is kept to track the successful transfer of tapes to the off-site location.</p> <p>Inspected tape transfer logs to Iron Mountain for a sample of dates, and noted that backup tapes were stored at an offsite facility. Also noted that a log of the backup tapes was maintained to track the successful transfer of the tapes to the offsite facility.</p>	<p>No relevant exceptions noted.</p>
<p>3.4 Changes to the backup job schedule must originate with an authorized request and are implemented by the Backup Administrators.</p>	<p>Performed corroborative inquiry with the Director of Network Services and the Director of Technical Services, and confirmed that changes to the backup job schedule must originate with an authorized request and are implemented by the Backup Administrators.</p> <p>Inspected the Remedy Ticket, for sample of changes, to the TSM job schedule, and noted that changes were approved, recorded, and completed by Backup Administrators.</p> <p>Inspected the list of users and access rights to the TSM job scheduler, and noted that access was restricted to authorized personnel.</p>	<p>No relevant exceptions noted.</p>
<p><b>B. CHANGE MANAGEMENT</b></p>		
<p><b>4. Controls provide reasonable assurance that new and modified application systems and system software are authorized, tested, approved, and implemented accurately and timely.</b></p>		

Control Objectives/Controls	Test of Controls	Test Results
<p>4.1 Formally documented system development procedures and standards are in use. The procedures and standards outline steps for processing enhancement requests, and migrating programs from development to test to quality assurance to production.</p>	<p>Performed corroborative inquiry with the Vice President of Applications Development and, and confirmed that formally documented system development procedures and standards are in use. The procedures and standards outline steps for processing enhancement requests, and migrating programs from development to test to quality assurance to production.</p> <p>Inspected System Development Life Cycle flow chart, and noted that procedures and steps for processing enhancement requests were maintained.</p> <p>Inspected the Deployment Procedures used by the ProxyVote and the ProxyEdge Development Team, and noted that procedures to guide the development process were maintained.</p>	<p>No relevant exceptions noted.</p>
<p>4.2 The Application Support Group utilizes a project management tool to record application enhancement requests. Application development projects are reviewed and assigned to the appropriate development personnel during the Daily Application Review Board Meetings.</p>	<p>Performed corroborative inquiry with the Senior Director of Development and a Senior Client Support Analyst, and confirmed that the Application Support Group utilizes a project management tool to record application enhancement requests. Application development projects are reviewed and assigned to the appropriate development personnel during the Daily Application Review Board Meetings.</p> <p>Observed the project management tool installed, and noted that projects were recorded, tracked, and assigned to Application Support Group personnel for execution and completion.</p> <p>Performed multiple observations of the Daily Application Review Board Meetings and noted that application development projects were reviewed at the Daily Meetings to ensure they were on track and issues were raised and resolved in a timely manner.</p>	<p>No relevant exceptions noted.</p>
<p>4.3 Application development or change requests promoted into production are tracked via Remedy. Changes are authorized and approved by management before being implemented via a Change Authorization Form.</p>	<p>Performed corroborative inquiry with the Senior Director of Development and a Senior Client Support Analyst, and confirmed that application development or change requests that are promoted into production are tracked via Remedy. Changes are authorized and approved by management before being implemented via a Change Authorization Form.</p> <p>Inspected a sample of application development changes, and noted that changes that are promoted into production were tracked via Remedy.</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
	<p>Obtained the Change Authorization Form for a sample of application development changes, and noted that changes were authorized, documented, and tested. Segregation of duties was also noted via various department sign-offs. Proper authorization for migration to production once the change was completed was also noted.</p>	
<p>4.4 A Daily Change Meeting is held to review system changes that are to be scheduled for implementation. A change summary report details the type of change, description, and status of changes, which is reviewed at the meeting.</p>	<p>Performed corroborative inquiry with the Director of Network Services and a Manager of Change Administration, and confirmed that a Daily Change Meeting is held to review system changes that are to be scheduled for implementation. A change summary report details the type of change, description, and status of changes, which is reviewed at the meeting.</p> <p>Observed a sample of Change Meetings, and noted that management reviews development and change requests.</p> <p>Inspected the Change Management Report for a sample of system changes, and noted that change requests were recorded and reviewed by management.</p>	<p>No relevant exceptions noted.</p>
<p>4.5 System software change requests are submitted via the Remedy Ticket system. Requests must be approved by the submitter's manager prior to implementation.</p>	<p>Performed corroborative inquiry with the Director of Network Services and a Manager of Server Administration, and confirmed that system software change requests are submitted via the Remedy Ticket system. Requests must be approved by the submitter's manager prior to implementation.</p> <p>Inspected a sample of system software changes, and noted that changes that are promoted into production were requested via Remedy and approved by the submitter's manager prior to implementation.</p>	<p>No relevant exceptions noted.</p>
<p>4.6 Programming is performed in a physically separated environment. Once programming is complete, the code is automatically migrated by the version control tool to a repository. A deployment team migrate the code to the QA environment. Testing is performed by members of the QA group, along with Client Services as appropriate. After QA and Client Services approve the change, the code is migrated to production by the deployment team.</p>	<p>Performed corroborative inquiry with the Vice President of Applications Development and the Network Support Consultant, and confirmed that programming is performed in a physically separated environment. Once programming is complete, the code is automatically migrated by the version control tool to a repository. A deployment team migrate the code to the QA environment. Testing is performed by members of the QA group, along with Client Services as appropriate. After QA and Client Services approve the change, the code is migrated to production by the deployment team.</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
	<p>Observed that the development environment is physically separated from the QA and production environment.</p> <p>Inspected the Change Authorization form, for a sample of changes, and noted that QA signs off on completion of testing of change and approved migration to production.</p> <p>Inspected the Change Meeting Approval Report and Change Meeting Completion Report for a sample of development requests, and noted that development and change requests were formally reviewed and approved before migrating into production.</p> <p>For a sample of users, inspected the list of users to production environment, and noted that only authorized users had access to production data.</p>	
<p>4.7 Programmers are restricted from accessing the production environment.</p>	<p>Performed corroborative inquiry with the Vice President of Applications Development and Manager of Service Administration, and confirmed that programmers are restricted from accessing the production environment.</p> <p>Inspected a list of users to production environment, and noted that programmers do not have access to modify production data.</p>	<p>No relevant exceptions noted.</p>
<p>4.8 Version control software, WebSphere and Visual SourceSafe, is utilized to maintain source code version control. Management retains prior versions of application systems and/or data to allow for recovery of the environment in the event of processing problems. Deployment Procedures are maintained and used by the Development teams to migrate requests from the development environment.</p>	<p>Performed corroborative inquiry with the Vice President of Applications Development and Director of Quality Assurance, and confirmed that version control software, WebSphere and Visual SourceSafe, is utilized to maintain source code version control. Management retains prior versions of application systems and/or data to allow for recovery of the environment in the event of processing problems. Deployment Procedures are maintained and used by the Development teams to migrate requests from the development environment.</p> <p>Observed the Visual SourceSafe version control software, and noted that controls were in place to prevent multiple users from making changes to code simultaneously.</p> <p>Observed the WebSphere version control software, and noted that controls were in place to prevent multiple users from making changes</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
	<p>to code simultaneously.</p> <p>Observed the library/directory listings of restoration files, and noted that prior versions of code were kept as a part of restoration and implementation plans.</p> <p>Inspected the Deployment Procedures used by Development teams, and noted that these procedures and standards documented the steps taken by developers moving requests through development, QA and production.</p>	
<b>C. LOGICAL SECURITY</b>		
<b>5. Controls provide reasonable assurance that logical security tools and techniques are configured, administered and monitored to enable restriction of access to programs, data, and other information resources.</b>		
<p>5.1 The security administration function is assigned to the Director of the Infrastructure Automation Team. This group follows the standards set forth by the BICS Data Security committee for handling access requests for both operating system and application access, and performing administration functions.</p>	<p>Performed corroborative inquiry with the Director of Network Services, and confirmed that the security administration function is assigned to the Director of the Infrastructure Automation Team. This group follows the standards set forth by the BICS Data Security committee for handling access requests for both operating system and application access, and performing administration functions.</p> <p>Observed the Information Security Policies and Procedures online, and noted that procedures exist for adding and removing users.</p>	<p>No relevant exceptions noted.</p>
<b>UNIX Security</b>		
<p>5.2 Production systems require a unique login ID.</p>	<p>Performed corroborative inquiry with the Director of Network Services and the Manager of Network Infrastructure, and confirmed that production systems require a unique login ID.</p> <p>Inspected the user access list to the production environment, and noted that login IDs were unique.</p>	<p>No relevant exceptions noted.</p>
<p>5.3 Internal user requests for system access must be submitted and approved through Remedy. Internal requests must be submitted by a manager. Access is then granted by the Technology Support Group.</p>	<p>Performed corroborative inquiry with the Senior Director of Support, the Director of Data Security, and the Systems Programming Consultant and confirmed that internal user requests for system access must be submitted and approved through Remedy. Internal requests must be submitted by a manager. Access is then granted by the Technology Support Group.</p> <p>Observed the Information Security Policies and Procedures, and noted</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
	<p>that they are up to date and maintained on the company intranet site.</p> <p>Inspected the system generated etc/passwd file and for the sample of new users selected, obtained the corresponding access request form and noted that internal user requests were received from the authorized BICS management. Also noted that access requests were established accurately and timely.</p> <p>Observed, for a sample of new internal users, their user privileges on the system, and noted that access was appropriate and in accordance with a duly approved access request form.</p>	
<p>5.4 An email is systemically generated and sent to the UNIX administrators informing them of employee terminations. The email displays the employee's name, and date of termination. The Unix Administrator disables the terminated employees' access to the server immediately, and removes them from the system.</p>	<p>Performed corroborative inquiry with Senior Director of Support, the Director of Data Security, and the Systems Programming Consultant, and confirmed that an email is systemically generated and sent to the UNIX administrators informing them of employee terminations. The email displays the employee's name, and date of termination. The Unix Administrator disables the terminated employees' access to the server immediately, and removes them from the system.</p> <p>Selected a sample of terminated employees from an HR system generated listing of terminated employees. Observed that system access rights for the selected terminated employees were revoked in a timely manner.</p>	<p><b>Exception Noted:</b> For 3 of the 25 terminated employees selected for testing, the Unix ID was not terminated.</p> <p><b>Management's Response:</b> For the three users identified in the exception, management has confirmed that the users had never logged into the UNIX systems. Additionally, management also confirmed that access to the VPN was revoked for all three users and that none of the users had physical access to critical IT areas (i.e. Computer rooms).</p>
<p>5.5 Access is controlled through the use of passwords. Password parameters, such as the minimum password length, maximum invalid login attempts, password expiration, and last login are defined. Passwords are maintained in an encrypted file to</p>	<p>Performed corroborative inquiry with the Sr. Director of Network Services and the Manager of Network Infrastructure, and confirmed that access is controlled through the use of passwords. The minimum password length, maximum invalid login attempts, password expiration, and last login are defined. Passwords are maintained in an</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
<p>ensure that they cannot be viewed by unauthorized personnel.</p>	<p>encrypted file to ensure that they cannot be viewed by unauthorized personnel.</p> <p>Performed an on-site observation of the shadow files for each of the servers selected, and noted that passwords are maintained in an encrypted file.</p> <p>Obtained and inspected the password settings for the servers selected, and noted that password parameters such as the minimum password length, maximum invalid login attempts, password expiration, and last login are defined.</p>	
<p>5.6 The system is configured to record and report security events as defined in information security policies; reports generated are reviewed on an as needed basis and necessary action is taken when required.</p>	<p>Performed corroborative inquiry with the Director of Network Services and the Manager of Server Administration, and confirmed that the system is configured to record and report security events as defined in information security policies; reports generated are reviewed on an as needed basis and necessary action is taken when required.</p> <p>Inspected a sample of Audit reports, and noted that system login activity was recorded and maintained for future reference if needed.</p>	<p>No relevant exceptions noted.</p>
<p>5.7 Only a limited number of authorized personnel are assigned as system administrators with access to the root account. In addition, system administrators cannot log in to root remotely. Switch user (SU) activity is logged and monitored by UNIX Security personnel on an as needed basis.</p>	<p>Performed corroborative inquiry with the Director of Network Services, the Manager of Server Administration and the UNIX Administrator, and confirmed that only a limited number of authorized personnel are assigned as system administrators with access to the root account. In addition, system administrators cannot log in to root remotely. Switch user (SU) activity is logged and monitored by UNIX Security personnel on an as needed basis.</p> <p>Inspected the etc/passwd and etc/group files and noted that access to servers and databases was restricted to users with appropriate privileges.</p> <p>Inspected the SU Log, for a sample of dates, and noted that access to root was recorded and maintained. Also noted that only a limited number of authorized personnel were assigned as system administrators with access to the root account.</p>	<p>No relevant exceptions noted.</p>
<p>5.8 File permissions to critical system directories, and files are restricted to appropriate individuals.</p>	<p>Performed corroborative inquiry with the Director of Network Services, the Manager of Server Administration and the UNIX Administrator, and confirmed that file permissions to critical system</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
	<p>directories, and files are restricted to appropriate individuals.</p> <p>Inspected the file permissions to critical directories, and noted that access was restricted to authorized personnel.</p>	
<b>Windows Security</b>		
<p>5.9 The ability to make modifications to Windows NT system account policies is limited to appropriate personnel.</p>	<p>Performed corroborative inquiry with the Director of Network Services and the Manager of Network Infrastructure, and confirmed that the ability to make modifications to Windows NT system account policies is limited to appropriate personnel.</p> <p>Observed the LAN user account privileges, and noted that only the LAN Administrator has the ability to modify system account policies.</p>	<p>No relevant exceptions noted.</p>
<p>5.10 Access is controlled through the use of passwords. Password parameters, such as the minimum password length, maximum invalid login attempts, password expiration, and last login are defined.</p>	<p>Performed corroborative inquiry with the Sr. Director of Network Services and the Director of Technical Services, and confirmed that access is controlled through the use of passwords. The minimum password length, maximum invalid login attempts, password expiration, and last login are defined.</p> <p>Obtained and inspected the password settings for the servers selected, and noted that password parameters such as the minimum password length, maximum invalid login attempts, password expiration, and last login are defined</p>	<p>No relevant exceptions noted.</p>
<p>5.11 An e-mail notification is sent out to various department managers prior to a new hire, in order to setup their security access, computer equipment and LAN account. A Remedy ticket is opened for LAN access and hardware setup.</p>	<p>Performed corroborative inquiry with Human Resources and the Director of Technical Services and confirmed that an e-mail notification is sent out to various department managers prior to a new hire, in order to setup their security access, computer equipment and LAN account. A Remedy ticket is opened for LAN access and hardware setup.</p> <p>Inspected a system generated listing of newly added users and for a sample of new internal users selected, obtained the Remedy Tickets and noted that LAN account and equipment setup of new employees was approved.</p>	<p>No relevant exceptions noted.</p>
<p>5.12 An email is systemically generated and sent to the LAN group informing them of employee terminations. The email displays the employee's name, and date of termination. The LAN Group disables the terminated employees' access to the</p>	<p>Performed corroborative inquiry with Senior Director of Support, the Director of Data Security, and the Director of Technical Services, and confirmed that an email is systemically generated and sent to the LAN group informing them of employee terminations. . The email displays the employee's name, and date of termination. The LAN Group</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
<p>LAN immediately, and removes them from the system.</p>	<p>disables the terminated employees' access to the LAN immediately, and removes them from the system.</p> <p>Selected a sample of terminated employees from an HR system generated listing of terminated employees. Observed that system access rights for the selected terminated employees were revoked in a timely manner.</p>	
<p>5.13 System auditing has been enabled and audit logs are maintained on file. System logs are reviewed when a security event occurs and any anomalies are escalated to the Vice President of Network Services.</p>	<p>Performed corroborative inquiry with the Vice President of Network Services and the Manager of Server Administration, and confirmed that system auditing has been enabled and audit logs are maintained on file. System logs are reviewed when a security event occurs and any anomalies are escalated to the Vice President of Network Services.</p> <p>Inspected information security policies and procedures and noted they included procedures for reviewing the system logs and escalating anomalies.</p> <p>Inspected the system auditing settings for a sample of servers and noted that they were enabled.</p> <p>Inspected a sample of system logs, and noted that they were maintained and reviewed on an as needed basis when a security event occurs.</p>	<p>No relevant exception noted.</p>
<p>5.14 Generic Administrator accounts on production servers are disabled or renamed to restrict unauthorized access.</p>	<p>Performed corroborative inquiry with the Director of Network Services and the Director of Technical Services, and confirmed that generic administrator accounts on production servers are disabled or renamed to restrict unauthorized access</p> <p>Observed the default and system LAN accounts, and noted that guest accounts were removed and default Administrator accounts were renamed.</p> <p>Observed the default account setting, and noted that default system accounts had been deactivated or locked.</p>	<p>No relevant exceptions noted.</p>
<p><b>Database Security</b></p>		
<p>5.15 Internal user access requests to the database must be initiated via an access request form and approved by management.</p>	<p>Performed corroborative inquiry with the Vice President of Network Services and the Database Administrator, and confirmed that internal user access requests to the database must be initiated via an access</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
	<p>request form and approved by management.</p> <p>Inspected a system generated listing of newly added users and for a sample of new internal users selected, obtained the user access request form and noted that user access was approved.</p> <p>Inspected the user access levels defined in the database server for a sample of new internal users, and noted that access was in accordance to rights approved on request form.</p>	
<p>5.16 An email is systemically generated and sent to the DBA group informing them of employee terminations. The email displays the employee's name, and date of termination. The DBA Group disables the terminated employees' access to the database immediately, and removes them from the system.</p>	<p>Performed corroborative inquiry with Senior Director of Support, the Director of Data Security, and the Database Administrator, and confirmed that an email is systemically generated and sent to the DBA group informing them of employee terminations. The email displays the employee's name, and date of termination. The DBA Group disables the terminated employees' access to the database immediately, and removes them from the system.</p> <p>Selected a sample of terminated employees from an HR system generated listing of terminated employees. Observed that system access rights for the selected terminated employees were revoked in a timely manner.</p>	<p>No relevant exceptions noted.</p>
<p>5.17 Information security for database servers are controlled through password policies that are consistent with the Corporate Identification and Authentication Policy. Any changes to the password settings are done by the Database Administration Group.</p>	<p>Performed corroborative inquiry with the Vice President of Network Services and the Database Administrator, and confirmed that information security for database servers are controlled through password policies that are consistent with the BFS Corporate Identification and Authentication Policy. Any changes to the password settings are done by the Database Administration Group.</p> <p>Observed and inspected the Identification and Authentication Policy, and noted that a formal password and authentication policy was established and maintained.</p> <p>Observed the database security settings, and noted that the password parameters and account lockout policies were consistent with the corporate policy.</p> <p>Inspected an authorized listing of database administrators, and noted</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
<p>5.18 System auditing has been enabled and audit logs are maintained on file. System logs are reviewed when a security event occurs and any anomalies are escalated to the Vice President of Network Services.</p>	<p>that only authorized personnel had database administration privileges.</p> <p>Performed corroborative inquiry with the Vice President of Network Services and the Database Administrator, and confirmed that system auditing has been enabled and audit logs are maintained on file. System logs are reviewed when a security event occurs and any anomalies are escalated to the Vice President of Network Services.</p> <p>Inspected information security policies and procedures and noted they included procedures for reviewing the system logs and escalating anomalies.</p> <p>Inspected the database settings and noted that system auditing has been enabled and maintained on file.</p> <p>Inspected a sample of system logs, and noted that they were maintained and reviewed on an as needed basis when a security event occurs.</p>	<p>No relevant exceptions noted.</p>
<p><b>D. PHYSICAL AND ENVIRONMENTAL SECURITY</b></p>		
<p><b>6. Controls provide reasonable assurance that physical access restrictions are implemented and administered to ensure that only authorized individuals have the ability to access or use information resources.</b></p>		
<p>6.1 An electronic card key system controls access throughout the BICS facility. Visitors are required to sign a Visitors Sign-In Log, wear a visitors badge and must be escorted by BICS personnel while in the building. As of June 2009, visitors no longer sign a Visitors Sign-in Log. Visitors must register themselves on a Lobbyguard kiosk where they detail their name, and who they are visiting. Additionally a badge will be printed out by the machine for the visitor to wear. Access to computer rooms and the Vote Processing area is also controlled via BioMetric finger scanning technology.</p>	<p>Performed corroborative inquiry with the Supervisor of Security and security personnel, and confirmed that an electronic card key system controls access throughout the BICS facility. Visitors are required to sign a Visitors Sign-In Log, wear a visitors badge and must be escorted by BICS personnel while in the building. As of June 2009, visitors no longer sign a Visitors Sign-in Log. Visitors must register themselves on a Lobbyguard kiosk where they detail their name, and who they are visiting. Additionally a badge will be printed out by the machine for the visitor to wear. Access to computer rooms and the Vote Processing area is also controlled via BioMetric finger scanning technology.</p> <p>Observed that BICS employees are required to swipe their badge in a card key reader prior to entering the BICS facility.</p> <p>Observed that BICS employees were required to scan their finger through the BioMetric system in order to access the computer rooms.</p> <p>For a sample of dates, inspected the Visitor Sign-in Logs, and noted</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
	<p>that access to building was recorded and maintained.</p> <p>Inspected Network Operations Visitor Access Sign in Logs for a sample of dates, and noted that access to the network operations area was recorded and maintained.</p>	
<p>6.2 An electronic key card system controls access throughout BICS facilities. Each employee is defined an access level which permits movement through predefined doors. All access requests are documented and maintained.</p>	<p>Performed corroborative inquiry with the Facilities Director and a Security Supervisor and confirmed that an electronic key card system controls access throughout BICS facilities. Each employee is defined an access level which permits movement through predefined doors. All access requests are documented and maintained.</p> <p>Observed that BICS employees were required to swipe their badge in a key card reader prior to entering the BICS Service areas.</p> <p>Inspected a sample of the Access Card Information forms which detail general information such as name, address, and specific access required.</p>	<p>No relevant exceptions noted.</p>
<p>6.3 A termination report is generated by HR and is e-mailed to Security to notify them of terminated employees. The terminated employee's identification access card number is removed from the access control microcomputer system timely. Additionally, a periodic review of access to sensitive production areas (BCC and Vote Processing area) is performed by management.</p>	<p>Performed corroborative inquiry with the Senior Physical Security Supervisor and the Human Resources, and confirmed that a termination report is generated by HR and is e-mailed to Security to notify them of terminated employees. The terminated employee's identification access card number is removed from the access control microcomputer system timely. Additionally, a periodic review of access to sensitive production areas (BCC and Vote Processing area) is performed by management.</p> <p>Observed the access rights for a sample of terminated employees selected from an HR system generated termination report, and noted their access had been removed from the system timely.</p> <p>Inspected a sample of the e-mail requests for employee termination from HR, and noted that Security is notified of the terminated employee and access is removed timely.</p> <p>Inspected the Vote Processing Recertification Report, and noted that a periodic access review was performed for employees with access to the Vote Processing areas.</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
	<p>Inspected the Broadridge Command Center Recertification Report, and noted that a periodic access review was performed for employees with access to the BCC.</p>	
<p>6.4 Security cameras are located throughout the production floor, and are continuously monitored by Security personnel, which are manned 24 hours a day, 7 days a week.</p>	<p>Performed corroborative inquiry with the Supervisor of Physical Security and security personnel, and confirmed that security cameras are located throughout the production floor, and are continuously monitored by Security personnel, which are manned 24 hours a day, 7 days a week.</p> <p>Observed that there were cameras in the production areas, and noted that cameras were continuously monitored by security personnel.</p>	<p>No relevant exceptions noted.</p>
<p><b>7. Controls provide reasonable assurance that the Edgewood, NY Data Center is environmentally protected.</b></p>		
<p>7.1 The BICS Facility is equipped with a dedicated fire protection system. This fire protection system is installed throughout the BICS occupied floors. This system consists of the following subsystems:</p> <ul style="list-style-type: none"> <li>• <b>Fire Annunciation System</b> – A system that detects both smoke and fire conditions throughout the facility.</li> <li>• <b>Fire Pump</b> - This utilizes the large capacity fire in order to deliver high pressure, high volume water to the site of a fire.</li> <li>• <b>Pre-Action System</b> - This system verifies that sprinkler head water discharge only occurs in the event of an actual fire condition, not in the event of a mechanical failure, such as in the case of a broken pipe or damaged sprinkler head.</li> </ul>	<p>Performed collaborative inquiry with the Facilities Director and a Security Supervisor, and confirmed that The BICS Facility is equipped with a dedicated fire protection system. This fire protection system is installed throughout the BICS occupied floors. This system consists of the following subsystems:</p> <ul style="list-style-type: none"> <li>• <b>Fire Annunciation System</b> – A system that detects both smoke and fire conditions throughout the facility.</li> <li>• <b>Fire Pump</b> - This utilizes the large capacity fire in order to deliver high pressure, high volume water to the site of a fire.</li> <li>• <b>Pre-Action System</b> - This system verifies that sprinkler head water discharge only occurs in the event of an actual fire condition, not in the event of a mechanical failure, such as in the case of a broken pipe or damaged sprinkler head.</li> </ul> <p>Toured the facility and confirmed installation of the fire annunciation system, Fire Pump, and the pre-action system.</p> <p>Inspected the maintenance and inspection records for the Fire Annunciation, System, Fire Pump, and Pre-Action System, and noted that periodic inspections are performed to check the functionality of the above mentioned systems.</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
<p>7.2 The generator room automatically provides power to the building when there is a deviation or an outage. The generator room is also equipped with detectors, ventilators, and security cameras.</p>	<p>Performed corroborative inquiry with the Facilities Director and a Security Supervisor, and confirmed that the generator room automatically provides power to the building when there is a deviation or an outage. The generator room is also equipped with detectors, ventilators, and security cameras.</p> <p>Toured the generator room, and noted that it is equipped with detectors, ventilators, and security cameras.</p> <p>Inspected the inspection tags in the generator room, and noted that the vendor performed periodic inspection of the generators.</p>	<p>No relevant exceptions noted.</p>

**General Computer Controls (Mainframe Environment)**

Control Objectives/Controls	Test of Controls	Test Results
<b>A. COMPUTER OPERATIONS</b>		
<b>1. Controls provide reasonable assurance that jobs are scheduled and changes are authorized; deviations and processing problems are identified and resolved in a complete, accurate, and timely manner.</b>		
<p>1.1 Production jobs are controlled and submitted by an automated job scheduler package, which ensures that jobs are run in the correct order, at the proper time, and use the correct versions of program and data files.</p>	<p>Performed corroborative inquiry with the Director of ADP Batch Systems Assurance and the Technology Consultant II and confirmed that production jobs are controlled and submitted by an automated job scheduler package, which ensures that jobs are run in the correct order, at the proper time, and use the correct versions of program and data files.</p> <p>Obtained and inspected a sample of jobs in the TWS job scheduler, traced them to the TWS Current Plan and noted that production jobs were processed according to the predetermined schedules in the TWS job scheduler.</p>	<p>No relevant exceptions noted.</p>
<p>1.2 ADP Operations personnel monitor the TWS error queue to ensure that abnormal job terminations are detected and corrected. Abnormal jobs or error conditions are interrogated by the automation rules, and present abnormalities to several real-time monitors in the ADP Operations Center for immediate attention. If an abnormality is detected by the automation rule, a PMR is automatically created by the system. The ADP Operations personnel monitor the abnormalities and assign PMRs to the appropriate personnel for problem resolutions.</p>	<p>Performed corroborative inquiry with the Director of ADP Batch Systems Assurance and the Senior Director of ADP Data Center Operations and confirmed that ADP Operations personnel monitor the TWS error queue to ensure that abnormal job terminations are detected and corrected. Abnormal jobs or error conditions are interrogated by the automation rules, and present abnormalities to several real-time monitors in the ADP Operations Center for immediate attention. If an abnormality is detected by the automation rule, a PMR is automatically created by the system. The ADP Operations personnel monitor the abnormalities and assign PMRs to the appropriate personnel for problem resolutions.</p> <p>Performed multiple observations of the TWS real-time monitors in the ADP Operations Center and noted that it was monitored by the ADP Operations personnel.</p> <p>Performed multiple observations of the TWS error queue for abnormal job terminations and noted that abnormal job terminations were detected and handled in a timely manner.</p> <p>Observed an attempt to submit an error job and noted that the automation rule detected the error and interrogated the error queue by</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
	<p>presenting abnormalities to the TWS error queue for immediate attention. Also noted that a PMR was automatically created.</p> <p>Obtained and inspected a sample of PMRs generated for TWS errors and noted that errors were identified, documented, and resolved in a timely manner.</p>	
<p>1.3 Additions and changes to the job scheduler are requested via an Info/Man change ticket. The BICS Development and Product Group review and approve the changes that are requested in Info/Man. All change tickets are automatically captured on the Info/Man Weekly Change Reports or the Daily Emergency Reports according to the status indicated on the Info/Man ticket. Schedule changes that are requested for the normal release cycle are reviewed and approved in the Weekly Standard Change Meeting. Schedule change requests outside of the normal cycle are reviewed and approved in the Daily Emergency Change Meeting. Once the Info/Man change has been approved, the ADP Systems Assurance Group approves the change and adds the job to the TWS Job Scheduler.</p>	<p>Performed corroborative inquiry with the Technology Consultant II and the Director of ADP Batch Systems Assurance and confirmed that additions and changes to the job scheduler are requested via an Info/Man change ticket. The BICS Development and Product Group review and approve the changes that are requested in Info/Man. All change tickets are automatically captured on the Info/Man Weekly Change Reports or the Daily Emergency Reports according to the status indicated on the Info/Man ticket. Schedule changes that are requested for the normal release cycle are reviewed and approved in the Weekly Standard Change Meeting. Schedule change requests outside of the normal cycle are reviewed and approved in the Daily Emergency Change Meeting. Once the Info/Man change has been approved, the ADP Systems Assurance Group approves the change and adds the job to the TWS Job Scheduler.</p> <p>Obtained and inspected the Change Management Policies and Procedures and noted that change procedures were established and maintained.</p> <p>Obtained and inspected a sample of Weekly Standard Change Reports and Daily Emergency Change Reports and noted that changes were recorded and maintained.</p> <p>Performed multiple observations of the Weekly Standard Change Meetings and the Daily Emergency Meetings and noted that meetings were held and changes on the Weekly Standard Change Reports and the Daily Emergency Change Reports were reviewed and discussed.</p> <p>Selected a sample of changes to the TWS Job Scheduler and noted that changes were recorded in Info/Man, reviewed, and approved by BICS and ADP Systems Assurance management.</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
<p>1.4 A Daily Turnover Meeting is held each morning to review all previous day's production issues including the Info/Man Flash Report, the Daily Info/Man Shift Director's Turnover Report, and the Daily Remedy Flash Report. Critical production problems and reoccurring system problems are recorded on the Hot Items Report, which is also reviewed daily at the Daily Turnover Meeting.</p>	<p>Performed corroborative inquiry with the Senior Director of ADP Data Center Operations and the Director of ADP On-line Systems Assurance and confirmed that a Daily Turnover Meeting is held each morning to review all previous day's production issues including the Info/Man Flash Report, the Daily Info/Man Shift Director's Turnover Report, and the Daily Remedy Flash Report. Critical production problems and reoccurring system problems are recorded on the Hot Items Report, which is also reviewed daily at the Daily Turnover Meeting.</p> <p>Obtained and inspected a sample of Info/Man's Shift Director's Turnover Reports and noted that processing problems were recorded and maintained.</p> <p>Obtained and inspected a sample of Daily Info/Man Flash Reports and Daily Remedy Flash Reports and noted that processing issues were recorded and maintained. Also noted that the prior night's batch processing ran successfully and there was no major problem recorded.</p> <p>Obtained and inspected a sample of Hot Items Reports and noted that critical production problems and reoccurring system problems were recorded and reviewed by management.</p> <p>Performed multiple observations of the Daily Operations Turnover Meetings and noted that the Daily Info/Man Shift Director's Turnover Report, the Info/Man Flash Report, and the Hot Items Report were reviewed at the Daily Operations Turnover Meeting.</p> <p>Performed multiple observations of the Daily Help Desk Turnover Meetings and noted that the Daily Remedy Flash Report was reviewed at the Daily Help Desk Turnover Meeting.</p>	<p>No relevant exceptions noted.</p>
<p>1.5 The I/O group monitors client data received via electronic transmission. Client transmissions that are late or incomplete are noted on the Daily Management Alert Report, and reported to client services personnel to verify exceptions are reviewed in a timely manner.</p>	<p>Performed a corroborative inquiry with the Vice President of Computer Operations and the Director of Bank/Broker Client Services, and confirmed that the I/O group monitors client data received via electronic transmission. Client transmissions that are late or incomplete are noted on the Daily Management Alert Report, and reported to client services personnel to verify exceptions are reviewed in a timely manner.</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
	Inspected a sample of Daily Management Alert Reports, and noted that incomplete and late transmissions were listed on the report and resolved timely.	
<b>2. Controls provide reasonable assurance that processing problems are recorded and resolved in a timely manner.</b>		
2.1 Production Support provides 24 hours a day support in monitoring the TWS error queues.	<p>Performed a corroborative inquiry with the Vice President of Computer Operations and a Project Manager, and confirmed that Production Support provides 24 hours a day support in monitoring the TWS error queues.</p> <p>Inspected the Helpdesk procedures, and noted that procedures for handling errors were documented.</p> <p>Observed the Operations Console, and noted that deviations and errors were continuously monitored, and resolved in a timely manner.</p>	No relevant exceptions noted.
2.2 Info/Man is used to record and maintain processing problems. Info/Man generates a log (i.e., PMR Report) for problems, which is reviewed each day until resolved. An Operation Turnover Meeting is held each morning, to discuss the change issues. Shift directors from each department are present in this meeting.	<p>Performed corroborative inquiry with the Managers of Systems Control, and confirmed that Info/Man is used to record and maintain processing problems. Info/Man generates a log (i.e., PMR Report) for problems, which is reviewed each day until resolved. An Operation Turnover Meeting is held each morning, to discuss the change issues. Shift directors from each department are present in this meeting.</p> <p>Inspected a sample of the PMR Reports, and noted that management reviewed these reports at the operations daily turnover meeting.</p> <p>Inspected a sample of PMRs, and noted that processing problems were logged and resolved timely.</p>	No relevant exceptions noted.
2.3 Aged items are identified on the Problems Over 14 Days Report, which is generated weekly and reviewed at the Weekly Turnover meeting by the ADP Operations Group and ICS management to verify that aged problems are resolved timely.	<p>Performed corroborative inquiry with the Senior Director of ADP Data Center Operations and the Manager of ADP Data Center Operations and confirmed that aged items are identified on the Problems Over 14 Days Report, which is generated weekly and reviewed at the Weekly Turnover meeting by the ADP Operations Group and ICS management to verify that aged problems are resolved timely.</p> <p>Inspected a sample of Problems Over 14 Days Reports and noted that aged items were identified, recorded, and resolved.</p>	No relevant exceptions noted.

Control Objectives/Controls	Test of Controls	Test Results
	<p>Performed multiple observations of the Weekly Turnover Meetings and noted that aged items were reviewed and problem resolutions were discussed.</p> <p>Inspected a sample of PMRs generated for processing errors and noted that errors were identified, documented, and resolved in a timely manner.</p>	
<p>2.4 Various Info/Man Reports are generated, which includes production status, program change, turnover, hardware status, problem management and resolution reports. These reports are reviewed each morning by BFS Operations management and a problem/change committee. Throughout the day, management follows up on reported items to confirm proper resolution. In addition, these reports are available on the BICS Intranet and are maintained with historical data.</p>	<p>Performed corroborative inquiry with the Managers of Systems Control, and confirmed that various Info/Man Reports are generated, which includes production status, program change, turnover, hardware status, problem management and resolution reports. These reports are reviewed each morning by BFS Operations management and a problem/change committee. Throughout the day, management follows up on reported items to confirm proper resolution. In addition, these reports are available on the BICS Intranet and are maintained with historical data.</p> <p>Inspected a sample of the Change Status Reports and noted that the report was reviewed at the Weekly Standard Change Meeting.</p> <p>Performed multiple observations of the Weekly Standard Change Meetings and Daily Emergency Meetings and noted that meetings were held and changes on the Weekly Standard Change Reports and Daily Emergency Change Reports were reviewed and discussed.</p> <p>Inspected a sample of the Daily Operations Turnover Reports, and noted that it was reviewed in a daily turnover meeting.</p> <p>Inspected a sample of the Info/Man's Hot Item Reports, which also shows critical production problems or recurrent system problems, and noted that the management reviewed these reports at the operations daily turnover meeting.</p>	<p>No relevant exceptions noted.</p>
<p><b>3. Control provides reasonable assurance that data is backed up and available.</b></p>		
<p>3.1 The Data Recovery ("DR") EMC Mirroring software is utilized to provide full data replication from the primary data center to the secondary data center.</p>	<p>Performed corroborative inquiry with the Director of ADP Batch Systems Assurance and the Technology Consultant II and confirmed that the Data Recovery ("DR") EMC Mirroring software is utilized to provide full data replication from the primary data center to the</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
	<p>secondary data center.</p> <p>Observed the EMC mirroring software and noted that the software is utilized to perform real-time replication.</p> <p>Obtained and inspected the syslog and noted that the system performed data replication from the primary data center to the secondary data center.</p>	
<p>3.2 Based on file migration rules, client data is migrated to tapes in the Automatic Tape Loader (“ATL”) at the data center and mirrored to the secondary data center. The Hierarchical Storage Management System (“HSM”) provides recall functions to retrieve historical tapes stored in the ATL.</p>	<p>Performed corroborative inquiry with the Vice President of Infrastructure and the Technology Consultant II and confirmed that based on file migration rules, client data is migrated to tapes in the Automatic Tape Loader (“ATL”) at the data center and mirrored to the secondary data center. The Hierarchical Storage Management System (“HSM”) provides recall functions to retrieve historical tapes stored in the ATL.</p> <p>Obtained and inspected the syslogs and noted that client data was migrated to tapes in the ATL at the data center and mirrored to the secondary data center.</p> <p>Observed an attempt to retrieve historical tapes and noted that the HSM system provides recall functions to retrieve historical tapes stored in the ATL.</p>	<p>No relevant exceptions noted.</p>
<p>3.3 DASD and ATL migrations are controlled and executed by the scheduling feature in HSM, based upon predetermined schedules. ADP Systems and Operations personnel continuously utilize monitors such as Omegamon to ensure that abnormal job terminations are detected and appropriately corrected.</p>	<p>Performed corroborative inquiry with the Technology Consultant II and the Vice President of Infrastructure and confirmed that DASD and ATL migrations are controlled and executed by the scheduling feature in HSM, based upon predetermined schedules. ADP Systems and Operations personnel continuously utilize monitors such as Omegamon to ensure that abnormal job terminations are detected and appropriately corrected.</p> <p>Selected a sample of DASD and ATL migrations and noted that they were performed according to the predefined schedule in HSM.</p> <p>Performed multiple observations in the ADP Operations Center and noted that ADP Systems and Operations personnel continuously utilize monitors such as Omegamon to ensure that abnormal job terminations</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
	<p>are detected and corrected.</p> <p>Obtained and inspected a sample of PMRs and noted that abnormal job terminations were detected and resolved in a timely manner.</p>	
<b>B. CHANGE MANAGEMENT</b>		
<b>4. Controls provide reasonable assurance that new and modified application systems, system software, and network changes are authorized, tested, approved, and implemented, accurately, and timely.</b>		
<p>4.1 Formally documented system development procedures and standards are established. The procedures and standards outline steps for processing new development request, requirement, analysis/design, build/test, implementation, and availability. The SDLC procedures provide a structured path for BICS to follow for development activities.</p>	<p>Performed corroborative inquiry with the Director of Standards Compliance and the Director of Technical Services and confirmed that formally documented system development procedures and standards are established. The procedures and standards outline steps for processing new development request, requirement, analysis/design, build/test, implementation, and availability. The SDLC procedures provide a structured path for BICS to follow for development activities.</p> <p>Obtained and inspected the System Development Life Cycle Policies and Procedures and noted that system enhancement procedures were established and maintained.</p> <p>Obtained and inspected the PDX System Overview and noted that the policy was maintained and provided as a guide to programmers.</p> <p>Obtained and inspected the Turnover Process Flow Chart and noted that the turnover process was documented and maintained.</p>	<p>No relevant exceptions noted.</p>
<p>4.2 Programmers utilize utility programs and TSO functions to perform system and program development functions. Developers are restricted, based on their user TSO ID from modifying production files.</p>	<p>Performed corroborative inquiry with the Entitlements Management Analyst and the Senior Director of Help Desk and confirmed that programmers utilize utility programs and TSO functions to perform system and program development functions. Developers are restricted, based on their user TSO ID from accessing or modifying production files.</p> <p>Inspected the list of users with access to production source code libraries and noted that developers were restricted from modifying production files.</p>	<p>No relevant exceptions noted.</p>
<p>4.3 The Application Support Group utilizes a project management tool to record application enhancement requests. Application development</p>	<p>Performed corroborative inquiry with the Senior Director of Development and a Senior Client Support Analyst, and confirmed that the Application Support Group utilizes a project management tool to</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
<p>projects are reviewed and assigned to the appropriate development personnel during the Daily Application Review Board Meetings.</p>	<p>record application enhancement requests. Application development projects are reviewed and assigned to the appropriate development personnel during the Daily Application Review Board Meetings.</p> <p>Observed the project management tool installed, and noted that projects were tracked.</p> <p>Performed multiple observations of the Daily Application Review Board Meetings and noted that application development projects were reviewed at the Daily Meetings.</p>	
<p>4.4 Application development or change requests that are promoted into production are tracked via Information Manager (“Info/Man”) change requests; changes initiated by ADP are tracked via CA change requests. Changes are authorized and approved by management before being implemented via a Change Authorization Form.</p>	<p>Performed corroborative inquiry with the Director of Standards Compliance, the Senior Director of Data Center Operations, and the Director of Technical Services and confirmed that application development or change requests that are promoted into production are tracked via Information Manager (“Info/Man”) change requests; changes initiated by ADP are tracked via CA change requests. Changes are authorized and approved by management before being implemented via a Change Authorization Form.</p> <p>Inspected a sample of application development changes, and noted that changes that are promoted into production were tracked via Info/Man or CA change requests.</p> <p>Obtained the Change Authorization Form for a sample of application development changes, and noted that changes were authorized, documented, and tested. Segregation of duties was also noted via various department sign-offs. Proper authorization for migration to production once the change was completed was also noted.</p>	<p>No relevant exceptions noted.</p>
<p>4.5 Info/Man and CA change tickets are automatically captured on the Weekly Change Reports or the Daily Emergency Reports according to the status indicated on the Info/Man or the CA ticket. For standard changes, a Weekly Standard Change Meeting is conducted by the groups that may be impacted by the change to review and approve the change requests. A Daily Emergency Meeting is conducted to discuss changes that need to be</p>	<p>Performed corroborative inquiry with the Director of Standards Compliance, the Senior Director of Data Center Operations, and the Director of Technical Services and confirmed that Info/Man and CA change tickets are automatically captured on the Weekly Change Reports or the Daily Emergency Reports according to the status indicated on the Info/Man or the CA ticket. For standard changes, a Weekly Standard Change Meeting is conducted by the groups that may be impacted by the change to review and approve the change requests. A Daily Emergency Meeting is conducted to discuss changes that need</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
<p>implemented before the normal standard change cycle.</p>	<p>to be implemented before the normal standard change cycle.</p> <p>Inspected a sample of Weekly Standard Change Reports and Daily Emergency Change Reports and noted that changes were recorded and maintained.</p> <p>Performed multiple observations of the Weekly Standard Change Meetings and Daily Emergency Meetings and noted that meetings were held and changes on the Weekly Standard Change Reports and Daily Emergency Change Reports were reviewed and discussed.</p>	
<p>4.6 The PDX system is utilized to control all program movement from Development to QA and into production. The ADP Systems Assurance Group monitors installation of new or enhanced system software and application programs. The PDX System is configured to limit install/promote access to ADP Systems Assurance and BICS Data Security Groups. In addition, the PDX System prevents a user to add a segment to production without an Info/Man change ticket number to prevent unauthorized changes made to the production environment.</p>	<p>Performed corroborative inquiry with the Director of Technical Services and Entitlements Management Analyst and confirmed that the PDX system is utilized to control all program movement from Development to QA and into production. The ADP Systems Assurance Group monitors installation of new or enhanced system software and application programs. The PDX System is configured to limit install/promote access to ADP Systems Assurance and BICS Data Security Groups. In addition, the PDX system prevents a user to add a segment to production without an Info/Man change ticket number to prevent unauthorized changes made to the production environment.</p> <p>Obtained and inspected the PDX System Overview and noted that the policy was maintained and provided as a guide to programmers.</p> <p>Obtained and inspected the PDX access list and noted that only the appropriate personnel had access to install/promote programs to the production environment.</p> <p>Observed an attempt to add a segment in PDX without an Info/Man ticket change number and noted that the request was rejected and an error message was displayed.</p>	<p>No relevant exceptions noted.</p>
<p>4.7 Programmers copy production files into their own test environments to make changes to existing programs. Completed changes must be approved by Directors in areas that are going to be affected by the changes, including Client Services. Program changes are tested in a test or QA</p>	<p>Performed corroborative inquiry with the Senior Director of Development and a Senior Client Support Analyst, and confirmed that programmers copy production files into their own test environments to make changes to existing programs. Completed changes must be approved by Directors in areas that are going to be affected by the changes, including Client Services. Program changes are tested in a</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
<p>environment that mirrors production.</p>	<p>test or QA environment that mirrors production.</p> <p>Obtained the Change Authorization Form for a sample of application development changes, and noted that changes were authorized, documented, and tested. Segregation of duties was also noted via various department sign-offs. Proper authorization for migration to production once the change was completed was also noted.</p>	
<p>4.8 When approvals have been signed off through Info/Man and PDX, the modified program is moved into a systems assurance staging area. Once the program is moved to this area, it cannot be accessed by developers. The program is then approved by a production testing area and turned over to QA area for additional testing and approval. Upon approvals by QA, PDX automatically moves the modified program into production.</p>	<p>Performed corroborative inquiry with the Managers of Systems Control, and confirmed that when approvals have been signed off through Info/Man and PDX, the modified program is moved into a systems assurance staging area. Once the program is moved to this area, it cannot be accessed by developers. The program is then approved by a production testing area and turned over to QA area for additional testing and approval. Upon approvals by QA, PDX automatically moves the modified program into production.</p> <p>Inspected the PDX System Overview, and noted that it was maintained and provided a guide to programmers.</p> <p>Inspected the Turnover Process Flow Chart, and noted that it described the turnover process.</p> <p>Inspected the list of users with access to production source code libraries and noted that developers were restricted from modifying production files.</p>	<p>No relevant exceptions noted.</p>
<p>4.9 The PDX System maintains source code version control and prevents multiple developers from making change to the source code simultaneously. Also, it allows program changes to be “backed out” if a production problem is encountered.</p>	<p>Performed corroborative inquiry with the Director of Standards Compliance and the Director of Technical Services and confirmed that the PDX System maintains source code version control and prevents multiple developers from making change to the source code simultaneously. Also, it allows program changes to be “backed out” if a production problem is encountered.</p> <p>Observed an attempt to copy a production file that was in use by another programmer and noted that a fetch warning was displayed on the screen.</p> <p>Observed an attempt to restore a prior version of the code and noted</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
<p>4.10 In the event that an Emergency change needs to be made, only authorized Broadridge programmers and ADP Operations personnel can request usage of the ID. The password to the ID is reset the next day. In addition, a quarterly re-certification is performed by the BFS Information Security to ensure access is appropriate.</p>	<p>that the “backed out” function was available to restore the previous version of code in the event of a production problem.</p> <p>Performed corroborative inquiry with the Entitlements Management Analyst and the ADP Data Security Analyst and confirmed that in the event that an Emergency change needs to be made, only authorized Broadridge programmers and ADP Operations personnel can request usage of the ID. The password to the ID is reset the next day. In addition, a quarterly re-certification is performed by the BFS Information Security to ensure access is appropriate.</p> <p>Obtained and inspected the Emergency Access procedures and noted that the emergency access process was documented and maintained.</p> <p>Obtained and inspected the program code and noted that the system was configured to generate PMRs when the Emergency ID was issued.</p> <p>Obtained and inspected a list of emergency access requests and selected a sample of requests and noted that access was documented via PMRs and reviewed. Also noted that temporary access was removed the following day.</p> <p>Obtained and inspected a sample of the quarterly re-certification review for Emergency IDs and noted that they were reviewed by the Development manager and the Entitlements Management Analyst management.</p> <p>Selected a sample of Emergency IDs with update access to production and noted that those users’ authorization was confirmed in the recertification process.</p>	<p>No relevant exceptions noted.</p>
<p>4.11 System software and network changes must be originated with a change request. All changes are reviewed and approved in the Weekly Standard Change Meeting. Also, a Daily Emergency Meeting is conducted to discuss changes that need to be implemented before the normal standard change cycle. System software and network changes are documented and tracked via CA</p>	<p>Performed corroborative inquiry with the Director of ADP Systems and the Senior Director of ADP Network Engineering Operations and confirmed that system software and network changes must be originated with an Info/Man change request. All changes are reviewed and approved in the Weekly Standard Change Meeting. Also, a Daily Emergency Meeting is conducted to discuss changes that need to be implemented before the normal standard change cycle. System software and network changes are documented and tracked via CA tickets.</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
tickets.	<p>Obtained and inspected a sample of Weekly Standard Change Reports and Daily Emergency Change Reports and noted that changes were recorded and maintained.</p> <p>Performed multiple observations of the Weekly Standard Change Meetings and Daily Emergency Meetings and noted that meetings were held and changes on the Weekly Standard Change Reports and Daily Emergency Change Reports were reviewed and discussed.</p> <p>Obtained and inspected a sample of software and network change requests and noted that changes were recorded and approved.</p>	
<b>C. LOGICAL SECURITY</b>		
<b>5. Controls provide reasonable assurance that logical security tools and techniques are implemented, configured, and administered to enable restriction of access to production program libraries, data files, and operating system data sets are administered and limited to authorized personnel.</b>		
5.1 Access control software, TopSecret, is installed on the MVS System to control access to the Operating System and production data files.	<p>Performed corroborative inquiry the Entitlements Management Analyst and the BICS Help Desk Manager and confirmed that access control software, TopSecret, is installed on the MVS System to control access to the Operating System and production data files.</p> <p>Obtained and inspected the ISPF Command Shell Screen and noted that TopSecret was installed on the MVS System and noted that device identification codes were used to secure access.</p>	No relevant exceptions noted.
5.2 Access to the super user privilege within TopSecret, which allows users to control Top Secret, modify control options, bypass security and change access rules, is limited to the authorized system administrators, systems IDs, CICS regions, and started tasks to perform system maintenance functions.	<p>Performed corroborative inquiry with the Entitlements Management Analyst and the BICS Help Desk Manager and confirmed that access to the super user privilege within TopSecret, which allows users to control Top Secret, modify control options, bypass security, and change access rules, is limited to authorized system administrators, system IDs, CICS regions, and started tasks to perform system maintenance functions.</p> <p>Obtained and inspected the TopSecret Security Audit/Privileges Report and noted that IDs who had the following privileges: NODSNCHK (bypass all dataset checking), NORESCHK (bypass of resources checking), and NSUB (bypass all program checking) were authorized system IDs, CICS regions, and started tasks in order to perform system maintenance functions.</p>	No relevant exceptions noted.

Control Objectives/Controls	Test of Controls	Test Results
<p>5.3 Security violations are automatically captured by Top Secret on the Security Violation Reports showing all unauthorized access attempts to production programs and data.</p>	<p>Performed corroborative inquiry with the Entitlements Management Analyst and the BICS Help Desk Manager and confirmed that Security violations are automatically captured by Top Secret on the Security Violation Reports showing all unauthorized access attempts to production programs and data.</p> <p>Obtained and inspected a sample of Security Violations Reports and noted that invalid login attempts were recorded and maintained.</p>	<p>No relevant exceptions noted.</p>
<p>5.4 All user requests (internal/clients) for system access must be submitted and approved through Info/Man or e-mail. Requests for internal access must be approved by the account holder’s manager, and client requests must be submitted by an authorized contact to the BICS Client Support Group. Approved user requests are then submitted to the ADP Data Security Group. Access is then granted by the ADP Data Security Group.</p>	<p>Performed corroborative inquiry with the Entitlements Management Analyst and the BICS Help Desk Manager and confirmed that all user requests (internal/clients) for system access must be submitted and approved through Info/Man or e-mail. Requests for internal access must be approved by the account holder’s manager, and client requests must be submitted by an authorized contact to the BICS Client Support Group. Approved user requests are then submitted to the ADP Data Security Group. Access is then granted by the ADP Data Security Group.</p> <p>Inspected a system generated listing of newly added users and for a sample of internal/clients users selected, inspected the corresponding user access request forms and noted that requests were approved, documented, and that access was granted in accordance with the access request form.</p>	<p>No relevant exceptions noted.</p>
<p>5.5 All users are assigned a unique user ID. Passwords are required by the system to be changed on a regular basis. A minimum password length enforced, and the password history is set to prevent the reuse of last passwords. After a number of attempts to enter an invalid password, the sign-on session is terminated, and the user ID is suspended requiring Security Administration intervention to restore it.</p>	<p>Performed corroborative inquiry the Entitlements Management Analyst and the BICS Help Desk Manager and confirmed that all users are assigned a unique user ID. Passwords are required by the system to be changed on a regular basis. A minimum password length is enforced, and the password history is set to prevent the reuse of last passwords. After a number of attempts to enter an invalid password, the sign-on session is terminated, and the user ID is suspended requiring Security Administration intervention to restore it.</p> <p>Obtained and inspected the user access list and noted that user IDs were unique and there were no generic user IDs.</p> <p>Obtained and inspected the Initialization file / parameters for TopSecret Security (relating to passwords) and noted that the minimum</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
	password length was enforced and that after a number of attempts to enter an invalid password the sign-on session was ended and the ID was suspended.	
<p>5.6 Broadridge HR sends termination notices to ADP Data Security and ADP HR sends a termination report to ADP Data Security notifying the Data Security group of all terminated employees. The Data Security Group will suspend the terminated employee's profile. Twice a year ADP Data Security deletes IDs inactive for 180 days or more.</p>	<p>Performed corroborative inquiry with the Human Resource Coordinator and the Entitlements Management Analyst and confirmed that Broadridge HR sends termination notices to ADP Data Security and ADP HR sends a termination report to ADP Data Security notifying the Data Security group of all terminated employees. The Data Security Group will suspend the terminated employee's profile. Twice a year ADP Data Security deletes IDs inactive for 180 days or more.</p> <p>Selected a sample of terminated employees from an HR system generated listing of terminated employees. Observed that system access rights for the selected terminated employees were revoked in a timely manner.</p> <p>Obtained and inspected the Over 180 days of Inactive and Suspended IDs Report and noted that it captured all the inactive and suspended IDs.</p>	<p><b>Exception Noted:</b> Seven terminated employees out of a sample of twenty-five were not removed from TopSecret timely.</p> <p><b>Management's Response:</b> VPN access was revoked on a timely manner for all these IDs.</p> <p>For 6 of these IDs, physical access to the facility was also revoked on a timely manner.</p> <p>For the remaining ID, the user did not have access to the BPS application.</p> <p>This user's last access to the Mainframe, VPN and Facility was before his/her termination date.</p> <p>Access to TopSecret was revoked for all these 7 IDs.</p>
<p>5.7 User access to the Proxy Plus application is controlled by defined user entitlements. An access request form must be completed and approved by management.</p>	<p>Performed corroborative inquiry with the Director of Systems Control and the Production Support Manager, and confirmed that user access to the Proxy Plus application is controlled by defined user entitlements. An access request form must be completed and approved by</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
	<p>management.</p> <p>Inspected a system generated listing of newly added users and for a sample of new users selected, obtained the user access request forms and noted that they were approved by an authorized individual. Also, noted that user's entitlements were consistent with what was approved.</p>	
<b>D. PHYSICAL AND ENVIRONMENTAL SECURITY</b>		
<b>6. Controls provide reasonable assurance that physical access restrictions are implemented and administered to ensure that only authorized individuals have the ability to access or use information resources.</b>		
<p>6.1 Visitors to the BFS facility must sign in at the front desk of the security station. In addition, visitors must wear a visitor's badge, and must be escorted by BFS personnel while in the building. Security officers are stationed at the second floor security station, and monitor all major entrances to the building and parking lots 24 hours a day, 7 days a week.</p>	<p>Performed corroborative inquiry with the Security Manager and the Security Supervisor and confirmed that visitors to the BFS facility must sign in at the front desk of the security station. In addition, visitors must wear a visitor's badge, and must be escorted by BFS personnel while in the building. Security officers are stationed at the second floor security station, and monitor all major entrances to the building and parking lots 24 hours a day, 7 days a week.</p> <p>Obtained and inspected a sample of the visitor sign-in logs and noted that the following was maintained and recorded: date, time-in, name, signature, company, and person visiting.</p> <p>Observed that visitors were given visitor badges that must be returned by the end of the day.</p> <p>Observed the Security Station and noted that security officers continuously monitor the cameras that were positioned throughout the building.</p>	<p>No relevant exceptions noted.</p>
<p>6.2 An electronic key card system controls access throughout the BFS facility, including access to sensitive areas. Access to all computer rooms is also controlled via a combination keypad. In addition, access to sensitive areas is requested by the user's manager, reviewed by the user's department directors, and documented on the Access Change Request forms/emails.</p>	<p>Performed corroborative inquiry with the Security Manager and Security Supervisor and confirmed that an electronic key card system controls access throughout the BFS facility, including access to sensitive areas. Access to all computer rooms is also controlled via a combination keypad. In addition, access to sensitive areas is requested by the user's manager, reviewed by the user's department directors, and documented on the Access Change Request forms/emails.</p> <p>Observed that BFS employees were required to swipe their badge in a key card reader prior to entering the building.</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
	<p>Observed that computer rooms required personnel to key in the special keypad combination prior to entering.</p> <p>Obtained and inspected a sample of Access Change Request forms/emails and noted that floor access requests were approved, signed off, and dated.</p>	
<p>6.3 Each employee has a defined access level, which permits movement through predefined doors. All unsuccessful attempts are displayed on a monitor in the Security Station and reviewed by security personnel. In addition, all unsuccessful attempts are recorded in the Access Control Report. New Employees are accompanied by their hiring manager in order to obtain Access Key Card. In addition, access to sensitive areas is requested by the user's manager, reviewed by the user's department directors, and documented on the Access Change Request forms/emails.</p>	<p>Performed corroborative inquiry with the Security Manager and Security Supervisor and confirmed that each employee has a defined access level, which permits movement through predefined doors. All unsuccessful attempts are displayed on a monitor in the Security Station and reviewed by security personnel. In addition, all unsuccessful attempts are recorded in the Access Control Report. New Employees are accompanied by their hiring manager in order to obtain Access Key Card. In addition, access to sensitive areas is requested by the user's manager, reviewed by the user's department directors, and documented on the Access Change Request forms/emails.</p> <p>Obtained and inspected a sample of Access Change Request forms/emails and noted that floor access requests were approved, signed off, and dated.</p> <p>Obtained and inspected a sample of Access Control Reports and noted that unsuccessful attempts record the personnel number and time of entries and the report was maintained.</p> <p>Obtained and inspected the Associate Orientation Handout and noted that an overview policy of the Security department, including issues concerning access control, fire safety, physical security, and data security was recorded and maintained.</p> <p>Performed multiple observations of the Security Station and noted that security personnel monitored the security console. Also noted that unsuccessful access attempts were presented on the console.</p> <p>Obtained and inspected the CCTV Monitoring System Procedures and noted that monitoring procedures were established and maintained.</p>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
<p>6.4 A termination report is generated by HR and forwarded to the Security department to remove the employee's identification access card number from the access control computer system upon an employee's termination.</p>	<p>Observed that new employees were accompanied by their hiring management to obtain the key card.</p> <p>Performed corroborative inquiry with the Security Manager and Security Supervisor and confirmed that a termination report is generated by HR and forwarded to the Security department to remove the employee's identification access card number from the access control computer system upon an employee's termination.</p> <p>Selected a sample of terminated employees from an HR system generated listing of terminated employees. Observed that system access rights for the selected terminated employees were revoked in a timely manner.</p> <p>Obtained and inspected the Termination Notification Procedure for the Security department and noted that termination procedures were established and maintained.</p>	<p><b>Exception Noted:</b> Four terminated employees out of a sample of twenty-five were not removed from the physical security system timely.</p> <p><b>Management's Response:</b> These users did not have physical access to critical areas (i.e., computer rooms, battery room, HR and facilities).</p> <p>In addition, these users' last access to the Mainframe, VPN and Facility were before their termination date.</p> <p>Access to the facility was revoked for all these four IDs.</p>
<p><b>7. Controls provide reasonable assurance that the Journal Square Data Center is environmentally protected.</b></p>		
<p>7.1 BFS is equipped with a dedicated fire protection system. This fire protection system, which is installed throughout the BFS occupied floors, consists of the following subsystems:</p> <ul style="list-style-type: none"> <li>• A fire suppression system for designated areas, primarily computer equipment areas;</li> <li>• A fire detection system for all other areas,</li> </ul>	<p>Performed corroborative inquiry with the Security Manager and the Senior Manager of Facilities and confirmed that BFS is equipped with a dedicated fire protection system. This fire protection system, which is installed throughout the BFS occupied floors, consists of the following subsystems:</p> <ul style="list-style-type: none"> <li>• A fire suppression system for designated areas, primarily computer equipment areas;</li> </ul>	<p>No relevant exceptions noted.</p>

Control Objectives/Controls	Test of Controls	Test Results
<p>primarily office areas;</p> <ul style="list-style-type: none"> <li>• A pre-action water sprinkler system for all floors;</li> <li>• The battery rooms are equipped with smoke detectors and ventilators;</li> <li>• The diesel pumps are equipped with smoke, fire, and flash detectors; and</li> <li>• A dry air system in other areas.</li> </ul>	<ul style="list-style-type: none"> <li>• A fire detection system for all other areas, primarily office areas;</li> <li>• A pre-action water sprinkler system for all floors;</li> <li>• The battery rooms are equipped with smoke detectors and ventilators;</li> <li>• The diesel pumps are equipped with smoke, fire, and flash detectors; and</li> <li>• A dry air system in other areas.</li> </ul> <p>Obtained and inspected the Emergency Evacuation Procedures and noted that procedures were established and maintained.</p> <p>Toured the BFS building and noted that installation of the following:</p> <ul style="list-style-type: none"> <li>• A fire suppression system for designated areas, primarily computer equipment areas;</li> <li>• A fire detection system for all other areas, primarily office areas;</li> <li>• A pre-action water sprinkler system for all floors;</li> <li>• The battery room is equipped with smoke detectors and ventilators;</li> <li>• The diesel pumps are equipped with smoke, fire, and flash detectors; and;</li> <li>• A dry air system in all other areas.</li> </ul>	
<p>7.2 The reverse osmosis system is used to control and detect humidity in the computer rooms.</p>	<p>Performed corroborative inquiry with the Security Manager and the Senior Manager of Facilities and confirmed that the reverse osmosis system, is used to control and detect humidity in the computer rooms.</p> <p>Observed a sample of computer rooms and noted that the reverse osmosis systems were installed.</p>	<p>No relevant exceptions noted.</p>
<p>7.3 There are eight diesel generators located in the building.</p>	<p>Performed corroborative inquiry with the Security Manager and the Senior Manager of Facilities and confirming that there are eight diesel generators located in the building.</p> <p>Toured the generator room and noted that BFS was equipped with eight diesel generators.</p>	<p>No relevant exceptions noted.</p>