

# 2017 Proxy Season

## Canadian Statistics & Performance Rating

We are pleased to report key statistics for the 2017 Canadian proxy season. In the past year, Broadridge delivered innovative solutions to enhance securityholder engagement and improve the effectiveness of the proxy process. We'd like to take this opportunity to share with you some of the highlights.

### Continued savings for Canadian issuers

In the 2017 proxy season, Canadian issuers realized \$38.7 million in savings, up from \$33.9 million last year. This year, 49.7% of proxy mailings processed by Broadridge were eliminated through a combination of customized processing applied to bank and broker supplied data for account consolidations (i.e. discretionary managed accounts), ProxyEdge® and e-delivery. This compares to 50.3% of proxy mailings in 2016. In 2017, Broadridge processed 246.9 billion securities, compared to 224.4 billion last year, and 49.1% of those securities were voted, compared to 49.5% in 2016. The adoption of notice and access continued to increase, with 573 issuers using the notice only delivery method in 2017, compared to 517 issuers in 2016.

### Changes in the marketplace

In January 2017, the Canadian Securities Administrators published Staff Notice 54-305 – Meeting Vote Reconciliation Protocols (SN 54-305). SN 54-305 signals a shift in the regulatory framework supporting securityholder voting and the underlying processes that enable it. Whereas the proxy process has historically been focused on distribution of materials, SN 54-305 centres on the vote entitlement of each securityholder to exercise the voting rights they acquired when they invested in a company. Market participants have clearly defined responsibilities for their respective parts of the voting process. Those responsibilities will help ensure that every investor's voting entitlement is supported. Broadridge has made the necessary process and system changes to support the processing of records for early search and record date. All records will now be votable and reconciled against the entitlements received from CDS, DTC and any omnibus entitlement.

Broadridge also completed changes to support the shortened security settlement cycle timeframe. These system enhancements required investment in new technology to align our process with the T+2 timeline. We will provide issuers with information needed to fulfill material obligations for any securityholder distributions conducted by Broadridge one business day earlier.

### Connecting with beneficial securityholders

Issuers can now brand the ProxyVote.com voting site and emails to better engage securityholders. New functionality allows issuers to enhance communications with video or multimedia messages or direct investors to the issuer's investor relations site. The result is more compelling and effective communications, better securityholder engagement and enhanced brand awareness.

Advanced analytics turns historical data about securityholder voting behaviour into actionable insights. Issuers can leverage data to refine strategy, deliver persuasive securityholder communications, define benchmarks, evaluate progress and improve projections.

### Regulatory update

This past year, Broadridge continued to engage with market participants and regulators as part of our commitment to the continuous improvement of the proxy system for all market participants. You can read our comments on our website.

### Your satisfaction drives our business

We are pleased to report that 96.3% of Canadian issuers were satisfied or very satisfied with the overall service received from Broadridge, based on the responses to this year's Client Satisfaction Survey. We continue to increase our client satisfaction ratings year-over-year and your comments are important to identify opportunities for further improvements. Please email [client.relations@broadridge.com](mailto:client.relations@broadridge.com) if you have any questions or suggestions.

We appreciate the opportunity to work with you.

Regards,



Patricia Rosch  
President  
Investor Communication Solutions, International



# 2017

## Canadian Proxy Season Statistics

(Full year July 1, 2016 to June 30, 2017)

| PROXY DISTRIBUTION   | 2017   | 2016   |
|--|--------|--------|
| Proxy Projects Distributed*  | 3,077  | 3,251  |
| Securities Processed**   | 246.9B | 224.4B |
| Percentage of Securities Processed by Broadridge that were voted including discretionary votes in accordance with NYSE Rule 452. | 49.1%  | 49.5%  |

\* A proxy project represents all jobs mailed by Broadridge Canada and/or Broadridge U.S. for each Canadian issuer.

\*\* Securities refers to shares, units, debentures, etc.

### MAILINGS ELIMINATED (as a percentage of records processed)

| SUPPRESSION CATEGORY | 2017         | 2016         |
|----------------------|--------------|--------------|
| Special Processing*  | 43.1%        | 43.0%        |
| ProxyEdge®           | 1.9%         | 2.3%         |
| Internet Delivery    | 4.7%         | 5.0%         |
| <b>Total</b>         | <b>49.7%</b> | <b>50.3%</b> |

\* Represents account suppressions resulting from Broadridge customized processing applied to Broker/Bank supplied data for account consolidations (e.g. managed accounts).

### ESTIMATED SAVINGS\* TO ISSUER

| SUPPRESSION CATEGORY | 2017                | 2016                 |
|----------------------|---------------------|----------------------|
| Special Processing   | \$33,593,234        | \$29,013,307         |
| ProxyEdge            | \$ 1,481,820        | \$ 1,549,470         |
| Internet Delivery    | \$ 3,631,477        | \$ 3,431,289         |
| <b>Total</b>         | <b>\$38,706,531</b> | <b>\$ 33,994,066</b> |

Savings based on a \$4.99 fee comprised of \$3.05 Postage + \$1.76 print and \$0.18 Out of Pocket

TOTAL ESTIMATED SAVINGS

**\$38.7M**

### VOTE RETURN ANALYSIS - BY JOB SIZE

| PROXY PROJECT SIZE* | NUMBER OF JOBS | TOTAL SECURITIES PROCESSED | TOTAL SECURITIES RETURNED | % RETURNED OF PROCESSED** |
|---------------------|----------------|----------------------------|---------------------------|---------------------------|
| <1,000              | 2,305          | 88.8B                      | 39.1B                     | 44.0%                     |
| 1,000 - 4,999       | 495            | 60.1B                      | 34.5B                     | 57.4%                     |
| 5,000 - 9,999       | 131            | 19.8B                      | 11.5B                     | 58.1%                     |
| 10,000 - 49,999     | 116            | 52.2B                      | 20.8B                     | 39.8%                     |
| >50,000             | 30             | 26.0B                      | 15.4B                     | 59.2%                     |
| <b>Total</b>        | <b>3,077</b>   | <b>246.9B</b>              | <b>121.3B</b>             | <b>49.1%</b>              |

**121.3B**  
SECURITIES WERE VOTED

\* Beneficial proxy records.

\*\* A proxy project represents all jobs mailed by Broadridge Canada and/or Broadridge U.S. for each Canadian issuer.

### VOTE RETURN ANALYSIS - BY SECURITIES SIZE

| VIF† SECURITY AMOUNT | TOTAL SECURITIES PROCESSED | % OF TOTAL  | TOTAL SECURITIES RETURNED | % RETURNED OF PROCESSED* | % RETURNED OF TOTAL** |
|----------------------|----------------------------|-------------|---------------------------|--------------------------|-----------------------|
| <1,000               | 2.8B                       | 1.1%        | 1.0B                      | 35.7%                    | 0.8%                  |
| 1,000 - 4,999        | 6.3B                       | 2.6%        | 2.1B                      | 33.3%                    | 1.7%                  |
| 5,000 - 9,999        | 3.5B                       | 1.4%        | 1.3B                      | 37.1%                    | 1.1%                  |
| 10,000 - 49,999      | 13.1B                      | 5.3%        | 5.6B                      | 42.7%                    | 4.6%                  |
| >50,000              | 221.2B                     | 89.6%       | 111.3B                    | 50.3%                    | 91.8%                 |
| <b>Total</b>         | <b>246.9B</b>              | <b>100%</b> | <b>121.3B</b>             | <b>49.1%</b>             | <b>100%</b>           |

**49.1%**  
OF ALL SECURITIES WERE VOTED

† Voting Instruction Form.

\* Securities returned as percentage of securities processed by VIF securities amount.

\*\* Securities returned as percentage of total securities returned.

**85.7%**  
OF ALL RETURNED VOTES WERE CAST ELECTRONICALLY

### VOTE RETURN ANALYSIS - BY CHANNEL

| CHANNEL              |                           |                  |              | ELECTRONIC VOTING PLATFORMS |             |                  |              |                  |              |
|----------------------|---------------------------|------------------|--------------|-----------------------------|-------------|------------------|--------------|------------------|--------------|
| CHANNEL              |                           | PAPER            |              | TELEPHONE                   |             | PROXYEDGE        |              | PROXYVOTE.COM    |              |
| VIF† SECURITY AMOUNT | TOTAL SECURITIES RETURNED | TOTAL SECURITIES | % RETURNED   | TOTAL SECURITIES            | % RETURNED  | TOTAL SECURITIES | % RETURNED   | Total Securities | % Returned   |
| <1,000               | 1.00B                     | 0.08B            | 8.0%         | 0.02B                       | 2.0%        | 0.76B            | 76.0%        | 0.14B            | 14.0%        |
| 1,000 - 4,999        | 2.08B                     | 0.20B            | 9.6%         | 0.04B                       | 1.9%        | 1.50B            | 72.1%        | 0.34B            | 16.4%        |
| 5,000 - 9,999        | 1.34B                     | 0.12B            | 9.0%         | 0.03B                       | 2.2%        | 0.98B            | 73.1%        | 0.21B            | 15.7%        |
| 10,000 - 49,999      | 5.58B                     | 0.58B            | 10.4%        | 0.11B                       | 2.0%        | 4.03B            | 72.2%        | 0.86B            | 15.4%        |
| >50,000              | 111.33B                   | 16.39B           | 14.7%        | 1.94B                       | 1.8%        | 60.13B           | 54.0%        | 32.87B           | 29.5%        |
| <b>Total*</b>        | <b>121.33B</b>            | <b>17.37B</b>    | <b>14.3%</b> | <b>2.14B</b>                | <b>1.8%</b> | <b>67.40B</b>    | <b>55.5%</b> | <b>34.42B</b>    | <b>28.4%</b> |

Electronic Channels (Telephone, ProxyEdge, and Internet) accounted for 93 billion securities.

\* Internet includes ProxyVote, Mobile ProxyVote and discretionary votes.

## 2017 Notice and Access Statistics

- 573 issuers used Notice & Access to deliver proxy material.
- Less than 1% of investors requested paper materials after receiving the Notice.
- 37.7% of issuers that use Notice and Access have less than 5,000 beneficial owners.
- Over \$12.9 million were saved by issuers using Notice and Access.

## 2017 Canadian Proxy Season Highlights

- Total suppressions were 49.7% of accounts processed.
- \$38.7 million in estimated savings to issuers from suppressions.
- Over 3.8 million emails were delivered by 1,443 issuers.
- Shares voted electronically represented 85.7% of all shares voted.

## Client Satisfaction Survey Highlights

| SURVEY QUESTION  | RESPONSE                    | 2017  |
|--|-----------------------------|-------|
| Overall, how satisfied are you with the service we provided you? | Satisfied to Very Satisfied | 96.3% |

## Broadridge Canada

- **General inquiries** - Client.Relations@Broadridge.com
- **Analytic report requests** - Broadridge.Reports@Broadridge.com
- **NOBO list requests** - NOBO.Production@Broadridge.com
- **E-Delivery notification and URL delivery** - URL.Delivery@Broadridge.com

## Streamline securityholder communications and management

A single-source solution helps you simplify securityholder management, efficiently navigate regulatory and compliance communication requirements and gain insights to effectively serve and engage securityholders.

CONTACT US

Investor Communication Solutions  
905 507 5100

[broadridge.com](http://broadridge.com)



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