

How to Stay Compliant with SRD II



Impact and opportunities for intermediaries

Ready for Next

Meet your SRD II compliance responsibilities

The revised Shareholder Rights Directive (SRD II), in effect since September 2020, dramatically impacts financial intermediaries who deal in European equities. Annual general meeting and proxy materials, and shareholder disclosure information, must be sent quickly and securely—with all requests, responses and authentications passed through multiple parties.

The scope of the regulation is global, impacting any financial intermediary holding or servicing European equities, wherever it is located. Crucially, the time to act and get ready is now.

The regulation aims to increase the accuracy and transparency of communications between issuers and investors – facilitating more active shareholder engagement. The new rules will have a significant impact across the entire investor communications chain from issuer to investor, and particularly intermediaries who must comply with new rules on the sharing of information.

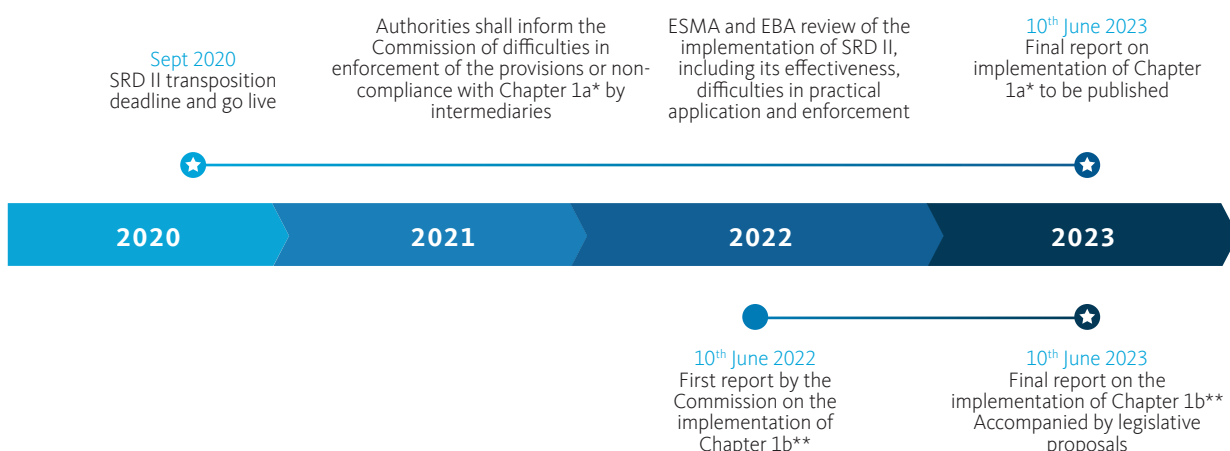
The requirements fall under two core areas: the need to offer an effective proxy voting service, and the need to identify shareholders when requested by issuers.

The obligations on intermediaries are significant: information must be passed quickly and securely, placing demands on technology and communication flow as all requests, responses and authentications need to pass through multiple parties.

Meet your new governance obligations for SRD II with confidence, reduce risk and streamline workflows with a complete solution tailored to your needs. As the trusted industry leader, we enable billions of investor communications each year – helping you meet your mandated regulatory obligations in all EU markets.

Broadridge is at the forefront of the changes impacting the investor communications industry. SRD II introduces challenging requirements and we have an unrivalled track record of delivering hundreds of new solution implementations to meet these requirements, streamline critical investor communications and drive transparency.

Let us show you what's next.



★ Key dates

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Chapter 1a - "Identification of shareholders, transmission of information and facilitation of exercise of shareholder rights"
Chapter 1b - "Transparency of institutional investors, asset manager and proxy advisors"

What this means for you: The requirements and impacts

1

Agenda Distribution and Voting

- Distribution of proxy notices to all clients 'without delay'
- Same-day processing of vote instructions
- Electronic, machine readable messaging required, with minimum standards for data formatting

2

Vote Confirmation

- If requested by a shareholder, issuers must confirm receipt and recording of vote instructions
- The flow of this information will likely take place through the chain of intermediaries, placing an additional demand on the communication flow

3

Shareholder Disclosure

- Disclosure requests for listed companies must be passed electronically passed through the communications chain
- Responses must be made within the same business day
- Authentication / validation required to verify all requests
- Electronic, machine readable process required

SRD II states that members should implement measures and penalties for non-compliance which are “effective, proportionate and dissuasive”. Such measures implemented in specific transpositions include financial penalties, removal of trading licenses and withholding of dividends.



A comprehensive suite of solutions for SRD II compliance

Broadridge offers comprehensive, end-to-end support through the voting process for all intermediary types, including retail, commercial and private banks, and wealth managers as well as institutional brokers, custodians and CSDs. We help you meet your new SRD II compliance obligations quickly and with confidence.

- Our flexible Global Proxy Solution enables you to provide a seamless proxy voting service to institutional or retail clients, tailored to your requirements, through a state-of-the-art streamlined, intuitive, online experience.
- Our unique Shareholder Disclosure Hub enables you to pass on or respond to shareholder identification requests accurately and securely within the required deadlines

SRD II-ready Asset Servicing from Broadridge

Our holistic Asset Servicing solution improves your operational efficiency, timeliness and accuracy and reduces costly risk associated with missing corporate actions.

Broadridge's SRD-II ready platform allows you to streamline and manage the entire asset servicing life cycle, from announcement data capture and cleansing to client election and instruction maintenance.

1

Agenda Distribution and Voting

2

Vote Confirmation (institutional clients)

SOLUTION

Global Proxy Solution

- Manages translation and distribution of meeting agendas for all markets, EU and non-EU
- Vote processing without delay
- Facilitation of confirmation requests for institutional shareholders
- Recording and counting of votes cast

3

Shareholder Disclosure

SOLUTION

Shareholder Disclosure

- Provides shareholder ID monitoring
- Request forwarding
- Response filing
- Helping intermediaries to fulfill shareholder ID obligations

Unrivalled proxy voting technology and infrastructure

Our secure, state-of-the-art platform supports every part of the proxy lifecycle and enables shareholder participation through a proven, world-class experience.

It allows you to minimise the impact of SRD II on your business by taking action now to comply with all of the requirements.

1. Direct sourcing of meeting agendas in local markets – across all markets, we can remove the complexity of sourcing meeting notifications and agendas.

2. Agenda translation and distribution – distribution of notifications and agendas, translated into the English language where required, through a choice of online and branded delivery tools, including via third party proxy advisors.

3. Entitlement calculations – fully reconciled, beginning on notification date through record date with the latest account positions.

4. Integrated research and analytics – freedom of choice through seamless access to your preferred sources of independent voting research and analytics. Direct access to third party vendors and Broadridge analytics.

5. Vote processing, execution and confirmation – cross-border and local market solution that improves the efficiency and cost effectiveness of vote execution and meeting attendance, enabling every vote to get to the right place, at the right time. This supports intermediaries' requirements to evidence shareholder engagement and enhance corporate governance.

6. Meeting results – sourced and tracked with full online access.

Additional service options to support your voting process include:

- Power of attorney solicitation services
- Securities lending management services
- Vote confirmation services
- Securities class actions services.

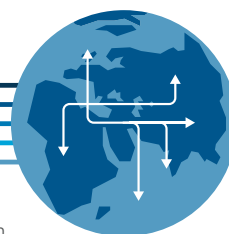
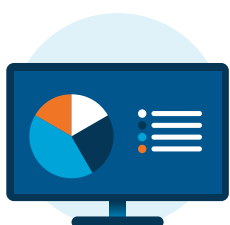


1 Direct sourcing of meeting agendas in local markets

2 Agenda translation and distribution

5 Vote processing, execution and confirmation

6 Meeting results



3 Entitlement calculations

4 Integrated research and analytics

WITH OUR SOLUTION, VOTING IS:



TRANSPARENT

Ensuring that investors have complete understanding as to where their vote is in the process, ultimately culminating in a vote confirmation where available.



ACCURATE AND SECURE

Powerful processing ensures millions of votes are counted correctly and records properly reconciled every day. To support EU data privacy, data is hosted in EU datacentres with market-leading encryption technologies.



LOW RISK

The process is highly automated, secure and ISO 27001 certified and the complete process having a near 0% error rate.



COST EFFICIENT

Leveraging our global infrastructure provides industry-leading economies of scale, delivering operational and cost efficiencies.



FAST

Delivering information to investors earlier, giving them more time to research and make voting decisions.









SIMPLE

Simply enable compliance and increase operational efficiency with our comprehensive, end-to-end global proxy solution.

Flexible global proxy user experiences

Our unique 'freedom of choice' model enables flexible delivery of meeting information and ballots to institutional or retail clients, or their agents, through your chosen channel, while providing robust management and monitoring capabilities.

Institutional Clients	Retail Clients
<p>We provide a flexible offering to support your institutional clients with a single consolidated dashboard for proxy management (ProxyEdge®) tailored to your precise voting and reporting needs. Our unique 'freedom of choice' model enables the delivery via your clients' preferred channel.</p>	<p>We provide a white-labelled online interface for retail shareholders, enabling you to create a seamless customised voting experience within your existing online portal. Investor Mailbox consolidates all communications into a single portal and the ProxyVote™ app provides a powerful mobile voting platform.</p>
 ProxyEdge®	 Investor Mailbox
 Vote Agents (eg. ISS, GlassLewis)	 Email
 SWIFT	 ProxyVote™ desktop/mobile

A new solution for shareholder disclosure

Broadridge's Shareholder Disclosure Hub is an EU market-wide platform based on blockchain technology that enables you to respond efficiently and securely to issuer requests within the required deadlines.

Our solution manages all requests and responses, authenticating disclosure requests and delivering these through straight-forward interfaces for all intermediaries.

Regulatory Compliance

Support your compliance obligations across EU/EAA markets with all SRD II shareholder disclosure obligations, providing simple oversight and proof of compliance status.

Operational Efficiency

Manage single EU/EAA wide platform, rather than multiple separate ones.

Data Security

Remain compliant with EU data protection legislation, including GDPR, with data hosted in EU Datacentres.

Simple API

Make use of the platform quickly through seamless connectivity with our APIs.

Risk Reduction

Significantly reduce risk, such as the risk of data leakage to unauthorised recipients, and the risk of failure to forward or respond to a request.

Cost Savings

Avoid the need to build and support your own multi-jurisdiction message communication solutions.

Efficient Processing

Utilise automated file uploads, easy to use interfaces and standard reports.

Blockchain Technology

Rely on Broadridge to handle complex data chains accurately, quickly, securely and transparently.



We are here to help you navigate

Broadridge's unrivalled proxy voting infrastructure sits at the heart of the shareholder voting network, and gives us a unique vantage point trusted by financial institutions globally.



110+

Markets we operate in



30yrs

Proxy voting infrastructure establishes for 30 years



~100%

Near 100% client retention



300+

Client solutions for SRD II implemented in EMEA, North America and Asia Pacific



50yrs

Trusted partner for financial institution for over 50 years



24h/7

Exceptional worldwide services support



THE BROADRIDGE DIFFERENCE

Account management and client service excellence

Best-in-class client services from full-time dedicated account teams based in the same timezones where our clients are located

Delivery of operational and cost efficiencies

Fully automated, award-winning solutions for proxy distribution and vote processing infrastructure

Advanced, leading solutions

Significant, ongoing investments in technology and resources to help firms meet regulatory requirements and prepare for market change

Committed global market leadership

Supporting proxy processing for 30 years, with ISO 27001 certified operations and fully audited by external firms

Comprehensive breadth of additional service choices

A wide range of support for all your institutional and retail clients' needs

Highest standards of cybersecurity and business continuity

Minimise the risk of data, compliance and reputational risk through our robust security and business continuity model

Neutral and transparent

Broadridge is a neutral and independent service provider, committed to bringing transparency to the shareholder voting network security and business continuity model

Consultative expertise and support

Partner with our deeply knowledgeable experts to address your SRD II challenges and opportunities

Broadridge, a global fintech leader with over \$4.5 billion in revenues and part of the S&P 500® Index, provides communications, technology, data and intelligence. We help drive business transformation for our clients with solutions for enriching client engagement, navigating risk, optimising efficiency and generating revenue growth.

broadridge.com

Ready for Next

Communications
Technology
Data and Analytics