MODERNIZING INVESTOR SERVICING

Winning With Retail, Policy And Next-Gen Platforms

THE 32ND SPECIAL SUPPLEMENT TO THE SHAREHOLDER SERVICE OPTIMIZER

Cover by Guy Dorian Sr.

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THE SHAREHOLDER SERVICE
OPTIMIZER

MODERNIZING INVESTOR SERVICING

Winning with Retail, Policy & Next-Gen Platforms

Welcome to the 32nd edition The Shareholder Service ***OPTIMIZER*** Magazine. This year's focus reflects a simple reality facing issuers today: **modern investor servicing is essential to winning votes, managing risk, and building shareholder trust.** As retail ownership grows, regulatory expectations intensify, and technology accelerates, legacy engagement models are no longer sufficient.

Retail investors now represent a larger share of voting power, yet participation remains uneven. Issuers are also navigating increased scrutiny around governance, disclosure, and ESG, while being asked to deliver faster, clearer, and more reliable shareholder communications. Meeting these demands requires more than compliance–it requires modern tools, data, and service models.

This edition of the *OPTIMIZER* focuses on modernization across **three interconnected fronts:**

- **Winning with Retail** – Enabling issuers to activate retail shareholders through better education, intuitive digital experiences, and targeted engagement that drives participation and confidence.
- **Winning with Policy** – Supporting issuers as they manage regulatory, governance, and ESG complexity with precision, consistency, and reduced reputational risk.
- **Winning with Next-Gen Platforms** – Deploying technology–AI, investor intelligence, modern voting infrastructure, virtual meetings, and analytics–that transforms shareholder servicing into a scalable, strategic capability.

Throughout this issue, leading service providers and governance experts share practical insights and real-world examples of how these capabilities are being delivered today. Their work underscores a clear takeaway: **the effectiveness of investor servicing increasingly depends on the quality of the platforms, data, and partners behind it.**

The organizations featured in this edition are helping issuers move beyond fragmented, manual processes toward more integrated, transparent, and investor-centric engagement. Those that modernize now will not only improve voting outcomes–they will strengthen trust and resilience over the long term.

Welcome to the 32nd edition of The Shareholder Service ***OPTIMIZER*** Magazine, and to the future of investor servicing.

Carl & Peder Hagberg

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MODERNIZING INVESTOR SERVICING: WHAT 2025 REVEALED - AND WHAT COMES NEXT

If there was a single takeaway from the 2025 proxy season, it's this: **investor servicing is no longer a back-office function - it's showing up directly in voting outcomes**. How companies engage shareholders–especially retail investors–now plays a visible role in governance results, shareholder confidence, and long-term trust.

Across the season, familiar patterns continued to shift. Retail ownership remains high, yet participation continues to lag. Institutional support for many shareholder proposals softened further, even as retail sentiment showed signs of narrowing the gap - a rare convergence suggesting retail views are increasingly relevant. At the same time, the mix of proposals changed, with fewer environmental and social items and relatively greater attention on governance and political spending issues.

What the 2025 Data Tells Us

In 2025, institutional support for shareholder proposals fell below 25%, its lowest level in nearly a decade, while retail support held around 21%, narrowing the gap between investor segments[1].

Proposal volume also declined meaningfully, particularly in environmental and social categories (down ~30%), while governance-focused issues gained traction[2].

Retail voting participation remained low–about 28% of retail-held shares were voted in 2025[3].

Engagement Is Evolving–But Not Evenly

While infrastructure supporting investor engagement has advanced, the experience itself often has not. Voting can feel cumbersome, disclosures dense, and education uneven–especially for retail holders.

This gap between capability and experience is where modern investor servicing comes into focus. Increasingly, it's about creating clearer, more intuitive ways for investors to understand issues and participate meaningfully.

Looking Ahead to 2026

The companies that treat investor servicing as a strategic function, integrating engagement, policy awareness, and technology are better positioned to succeed. Personalization, better data, and seamless platforms are becoming standard. AI and advanced analytics are also beginning to influence engagement, sentiment tracking, and even proxy voting decisions.

Investor servicing is no longer a back-office function–it's showing up directly in voting outcomes.

The lesson from 2025 isn't that there's a single playbook - it's that **standing still is no longer an option**. The path forward points toward more integrated, investor-centric servicing models that reduce friction, build confidence, and meet shareholders where they are.

That theme runs throughout this year's ***OPTIMIZER***. Because in today's market, modernizing investor servicing isn't just about winning votes. It's about earning trust–and keeping it.

1. Broadridge, 2025 ProxyPulse™ Report, "Institutional Support for Shareholder Proposals." broadridge.com
   Broadridge, 2025 ProxyPulse™ Report, "Trends in Shareholder Proposal Volume and Support." broadridge.com
2. Harvard Law School Forum on Corporate Governance, "Data and Insights on Proxy Voting Trends, 2025." corpgov.law.harvard.edu

NEED EXPERT ADVICE?
VISIT THE *OPTIMIZER*'S INDEX OF PRE-VETTED SERVICE SUPPLIERS!

DFIN Ron Schneider
Director, Corporate Governance Services, Donnelley Financial Solutions (DFIN)

TOP PROXY THEMES FOR 2026

As is typically the case, in preparing for the 2026 Proxy Season, companies are considering a number of perennial issues, with some new twists.

Drafting a proxy that meets both regulatory requirements, and the additional informational needs of a wide range of investors. Here, we suggest focusing on the needs of the large indexed investors that strive to vote thoughtfully, yet don't have the same level of understanding of your company, its board and executive leadership and major strategies as do "actively managed" investors. This can involve including some "IR 101" or other repurposed "About the company" language in the proxy, updating these investors about the business, its strategies and performance.

Ongoing need to benchmark your practices and disclosures against the ever-rising levels of peer and other governance-leading companies while clearly conveying your practices and their link to the business strategy and to long term shareholder value.

As company proxy drafting teams become larger and more cross-functional, the efficiencies and cost-savings of using secure collaborative content management systems become more apparent. Here, we are seeing a significant uptake in companies – including those with highly designed proxies -- utilizing our easy to use, design-friendly ActiveDisclosure software to benefit their process and results.

Companies being sensitive to "anti-ESG" pressure from the current administration, while major investors remain committed to the views that "climate risk is investment risk"and that diversity – in the board room, executive ranks and general workforce – contribute to livelier debate and better outcomes, are causing companies to walk a finer line in how and where they discuss their sustainability programs and their diversity initiatives. Here, we suggest that, in the proxy, focus on sustainability and human capital activities that you have operationalized and that have a clear through-line to company success and thus long term shareholder value. NOTE - at whatever level you choose to describe your programs, the proxy is where you need to discuss effective board oversight of these activities, as well as the board's competencies to do so effectively.

In the case of sub-par votes (increasingly viewed as under 80 or 75% support for management's vote recommendations), which lead to "greater scrutiny" of the next proxy, demonstrating "responsiveness to the vote" which often involves ramped up post-meeting engagement, and in the subsequent proxy, discussing not just the scope and participants in engagement, but also what you heard, and most important, what you did with this input.

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Scan for further information:

Recent actions affecting investor and proxy advisor policies and engagement, which while "desired" may provide less clarity in the coming year include:

- Major proxy advisors ISS and Glass-Lewis adding more "bespoke" or thematic sets of voting recommendations which while it adds more desired "choice" it does create a more complex vote recommendation landscape,
- The SEC's updated guidance on "passive investor" status for filing on schedule 13-G rather than 13-D is contributing to less "vote certainty" from company engagement efforts with these major investors as they are now more circumspect about conditioning specific vote outcomes on companies adhering to particular policy recommendations.

2026 Proxy Executive Checklist: Key Themes

1. Modern Proxy Design & Visual Storytelling - Include charts, infographics, tables, and concise summaries to clarify complex proposals and support compliance. Graphics, photography and other visual elements can both break up dense text and make content such a key "board processes" more inviting to the eye, digestible and impactful. These can

include bullets or montages of key performance or program highlights, checklists of governance or compensation practices, timelines of evolution of these programs (including board refreshment timelines), traditional bar, line and pie / doughnut graphs, shading for emphasis, callouts and other features.

These are often most on display in "proxy summaries" at the start of the document, and/or CD&A executive summaries at the start of that important section.

This should be done judiciously, and not overdone, as investors have found some extremely highly designed proxies distracting, commenting that "when you highlight everything, are you really highlighting anything?"

Williams Companies

Commercial Metals

Performance Food Group

2. Contested Meetings & Activism – Plan proactively for activist campaigns. Communicate transparently about board composition, succession, and governance.

Almost any company can, and many will, confront one or more activist situations in their lifetime. While great performance can forestall this, such performance eventually may wane. Many such situations can be resolved or defused by engaging with the activist, understanding their concerns and objectives and perhaps implementing certain of their ideas. Others may bubble into threatened or actual director election challenges.

Two things that companies almost always do when confronted with these challenges are:

- Initiate, or enhance, their level of engagement with a broad range of investors
- Improve their proxy messaging, to tell their best strategy and performance, board and governance, executive compensation, and sustainability stories.

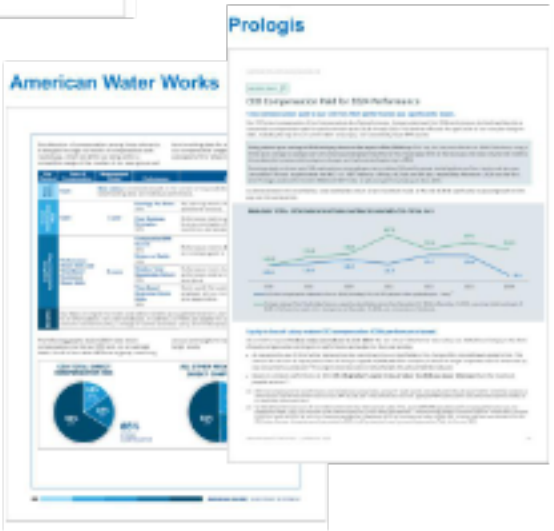
Given that, we have to ask "why wait"? Many forward-looking companies have not waited, and have been presenting investors with proxies containing clear, credible information on these topics for years. These contribute to investor understanding and confidence in their strategies, board and executive teams, which can help companies prevail in board election contests.

Tactically, activism fueled by new Universal Proxy rules is causing some companies to re-think their approach to board bios, focusing on the unique competencies each nominee brings to the board that are relevant to the company's strategies.

3. Board Oversight Transparency – Highlight board oversight, sustainability initiatives, and long-term strategy.

Traditionally, most companies provided large, catchall "enterprise risk" discussions that covered a range of risks boards must oversee. Starting about five years ago, companies began breaking out both "ESG program highlights" and the related board oversight in standalone focused discussions, and more recently are expanding this technique to focused Cybersecurity program and oversight sections. We believe that similar discussions of AI will become prevalent within the next three years.

4. Executive Compensation & Pay-for-Performance – The most fundamental pay-related question investors have been asking for decades isn't about pay quantum, but about its alignment with a) the business strategy and b) with company and shareholder performance. Companies that address these investor questions head-on tend to retain more support when receiving negative proxy advisor Say on Pay recommendations, than companies that do not.

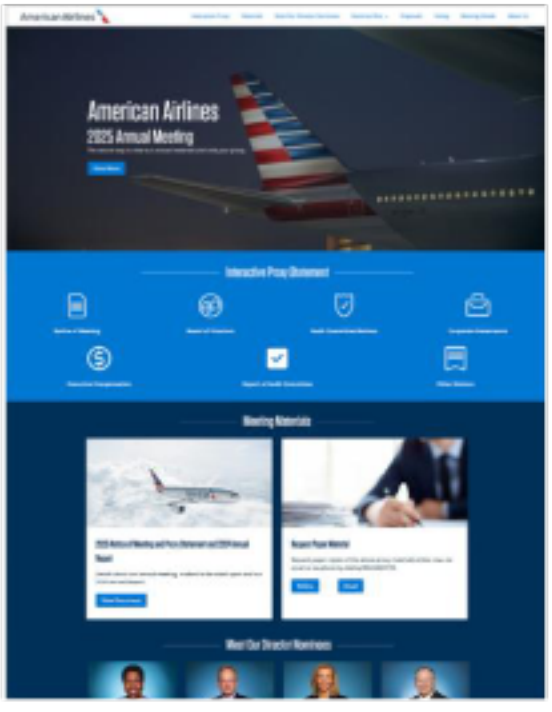


5. Multi-Channel Delivery & Accessibility – Provide proxy materials in print, digital, and interactive formats. Ensure accessibility for all shareholder groups.

While the traditional printed and mailed version of the proxy remains a key element of maximizing retail voter participation (irrespective of their professed "material receipt preferences"), the SEC-filed and web-hosted digital version of the proxy has taken on increasing importance for the majority of institutional investors, for retail investors responding to Notice & Access procedures, and others.

While it's the "same proxy", many companies add additional features to their digital proxy including:

- Additional color (digital color being relatively cost-free compared to in the printing process)
- Enhanced navigation, including word search, hyperlinked Tables of Contents, "hot buttons" to key topics, and other means
- Links to company, board or CEO videos
- Company-branded digital hosting sites including convenient voting buttons and companion documents such as the Annual Report and Sustainability Report.



California ESG Disclosure - Address SB 253 (GHG emissions) and SB 261 (climate risk). Integrate disclosures into proxy and annual reports.

California passed two climate laws (SB 253 and SB 261) to increase ESG transparency from companies: (1) SB 253 requires companies with over $1B in annual revenue to report greenhouse gas emissions annually starting in 2026; and, (2) SB 261, which is more immediate (due by Jan 1, 2026), requires companies with over $500M in revenue to report on how climate risks like extreme weather (called a "physical assessment") and new regulations calling for a low-carbon economy (called a "transitional assessment") could impact the organization.

While recent litigation has created uncertainty about the applicability and timing of these regulations, we anticipate that some companies will comply on a voluntary basis. Such "early adopters" may gain added credit from investors who are eager for this information.

DFIN continues to leverage our proven five-step reporting process, our experienced sustainability team in collaboration with our environmental partner – the Governance & Accountability (G&A) Institute – and our cloud-based platform, ActiveDisclosure (AD), to manage the initiative. Specifically, our efforts will include:

- **Risk Assessments:** We evaluate both physical risks (e.g., extreme weather) and transitional risks (e.g., policy changes), as required by SB 261.
- **Task Force on Climate-Related Financial Disclosures (TCFD) Mapping:** We structure the data to follow the global TCFD framework for climate-related disclosures.
- **ESG Factsheet Creation:** We draft a clear, concise report with data, analysis, and narrative, all professionally designed.
- **Streamlined Collaboration:** Everything is managed in AD, allowing the client team to easily track progress and contribute. Future updates (required biannually) will be seamless, saving time and money since AD will house the Factsheet.

In short, we offer a streamlined ESG solution – think of it as an "ESG easy button" that simplifies reporting.

As with the earlier "ESG and Governance Transparency" section, companies can decide the level at which to discuss the program in the proxy, but the board oversight portion of the story is a "must have".

Overall Takeaway – Show how the company communicates, engages, and adapts to 2026 trends. Ensure shareholders are confident, informed, and empowered to vote.

Smaller, younger and controlled companies, including Emerging Growth Companies, can legitimately follow a traditional "compliance" approach to this document, until, whether due to growth, expanding investor base and level of visibility, they should transition (often over several years) to a more "communications" approach, as described above.

A proxy that doesn't just "disclose" but also "explains" can go a long way toward ensuring investors understand and are comfortable with your programs, procedures, performance and oversight, and will provide you with more forbearance if you come under greater scrutiny due to a negative proxy advisor recommendation, investor activism or other reasons.

A proxy that doesn't just "disclose" but also "explains" can go a long way toward ensuring investors understand and are comfortable with your programs, procedures, performance and oversight, and will provide you with more forbearance if you come under greater scrutiny due to a negative proxy advisor recommendation, investor activism or other reasons.

Engaging with your investors, learning first-hand their informational needs and preferences, and then addressing those in the next proxy, ARE what you will do if faced with an activist challenge. As we stated earlier, "why wait"? Many leading companies have not waited, and all companies should regularly benchmark their programs and disclosures against those of their peers and of other governance-leader companies.

SCAN TO VIEW DFIN'S GUIDE TO EFFECTIVE PROXIES, 13TH EDITION

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Better Proxy Statements Drive More Engagement

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REINVENTING PROXY VOTING: EMPOWERING SHAREHOLDERS IN THE DIGITAL ERA

A Brief Look Back

A cornerstone of corporate governance is proxy voting – the main mechanism by which shareholders exercise their rights and influence how a company is run. I think it is fair to say that proxy voting has become more important as corporate governance has evolved and expanded in scope.

What began as an almost entirely paper-driven process has evolved into a digital experience shaped by innovation, regulation, and efficiency demands.

So *how* proxy voting happens is very important. Proxy voting has undergone remarkable transformation over the past few decades. In fact, over the past 20 years, the mechanics and processes of proxy voting have been reshaped by technology, regulation, and infrastructure streamlining. What began as an almost entirely paper-driven process has evolved into a digital experience shaped by innovation, regulation, and efficiency demands. Each shift–whether through technology, policy, or investor behavior–has brought us closer to today's environment, where institutional investors hold greater sway overall while retail investor voting participation continues to evolve.

From Mail to Mobile: A Timeline of Change

The late 1990s marked the start of the "digital era" for proxy voting. Milestones included the introduction of telephone-based voting systems (IVR) in 1997 and in1998, the first electronic delivery of proxy materials and Internet voting options appeared, making it easier and faster for shareholders to participate.

In 2007, Notice & Access allowed issuers to deliver proxy materials with a simple notice of their availability online. In 2009, the SEC amended NYSE rules to eliminate broker discretionary voting in director elections. Brokers had traditionally followed the recommendations of boards in casting their discretionary votes for uninstructed shares.

Soon after, more technological advances were introduced with the advent of mobile proxy voting apps, allowing shareholders to vote directly from their smartphones, access all accounts in one place, and track submissions in real time. Mobile voting made proxy voting even more accessible for retail investors as democratization of investing further expanded. And while these changes transformed the mechanics of achieving quorum, tracking engagement, and anticipating vote outcomes, there were even greater cost savings efficiencies on paper and postage.

Fast forward to today, we see the emergence of several new frameworks including:

"**Pass-Through Voting** (PTV)," – Asset managers provide a service for investors to advise (or vote) on the underlying portfolio companies. To date, this is policy based (not meeting by meeting).

"**Standing Vote Instructions** (SVI)," defined in the ExxonMobil Request for No Action Relief with the following characteristics:

- Voluntary enrollment
- Vote based on Board recommendations
- Two choices: "All Matters" or "Certain Specified Matters"
- Shareholders receive proxy materials, can override or opt-out of the program
- Annual reminders of enrollment status provide an opt-out

Mirror Voting - Votes of total retail holders are applied to the un-voted shares of an asset manager.

Advanced Voting Instructions (AVI) - An app or tool for investors to set their voting instructions in advance of receiving proxy materials. Based on broad categories of proposal types for equities and funds. Ballots are pre-marked, sent, and affirmatively submitted by retail holders. Institutional investors have utilized this technology feature for many years.

And finally, **Broker Votes** enable un-voted shares on routine proposals to be voted at the brokers' discretion and continue to

be an important part of reaching quorum for many issuers. Broker votes continue to be an important part of reaching quorum for many issuers.

This expanding variety of "Voting Choice" technologies further engage retail shareholders and help foster an environment where all shareholder voices can be expressed and heard.

Issuers and funds that are committed to engaging their retail shareholder base are seeing greater participation. Issuers are also likely to see reduced solicitation costs and uncertainties as existing shareholders who hadn't previously voted and new shareholders come to the table.

Looking Ahead: The Future of Shareholder Voting

Innovation in proxy voting is accelerating, with future developments likely to include AI-driven participation analytics and platforms for voting tokenized securities. The future of proxy voting and corporate governance is moving toward a more transparent, technology-enabled, inclusive, and accountability-focused system. Regulatory efforts to rationalize and simplify disclosures can also make it easier for investors to view important information and vote.

Conclusion

The evolution of proxy voting reflects a broader narrative of modernization, accessibility, and empowerment. For corporate issuers, these changes present both challenges and opportunities–to bridge the gap with retail investors, strengthen engagement, and enhance governance credibility. But the objective remains clear: make shareholder participation effortless, informed, and meaningful.

Alliance ADVISORS

THE FUTURE OF INVESTOR ENGAGEMENT: ALLIANCE ADVISORS' *INVICTUS* PLATFORM IN 2026

By Peder Hagberg

As public companies enter 2026, investor servicing expectations have fundamentally evolved. Success is no longer measured solely by proxy execution or annual meeting outcomes–it now depends on the ability to understand, engage, and respond to shareholders continuously. Alliance Advisors' growth to over 1,400 public company clients worldwide reflect this shift and underscores the central role of its proprietary ***Invictus*** platform.

Invictus is a digital platform that consists of three modules, proxy solicitation, stock surveillance and an Institutional shareholder engagement CMS. It serves as a one-stop solution for Corporate Secretaries, General Counsel, CFOs, and the legal community focused on proxy solicitation, shareholder engagement, vote tracking, and institutional shareholder intelligence. It also supports Investor Relations teams seeking comprehensive ownership insights. With ownership increasingly fragmented, retail participation rising, and governance scrutiny intensifying, issuers require more than episodic solutions–they need end-to-end visibility across their shareholder ecosystem, powered by timely, actionable insights.

Having seen an in-depth demo of Invictus ahead of the 2026 AGM season, it's clear that this platform (designed and continuously updated with proprietary data over the past 10 years) has become the most powerful tool available for issuers and their advisors. The platform's depth of information and intuitive navigation make it truly one-of-a-kind. Unlike other tools, Alliance does not charge clients by "seat," allowing legal and investor relations teams across a company to access the same data simultaneously facilitating streamlined communication, coordinated outreach, and better collaboration across stakeholders.

Voting Data: Advisory Vote on Executive Compensation

Top 25 Investors

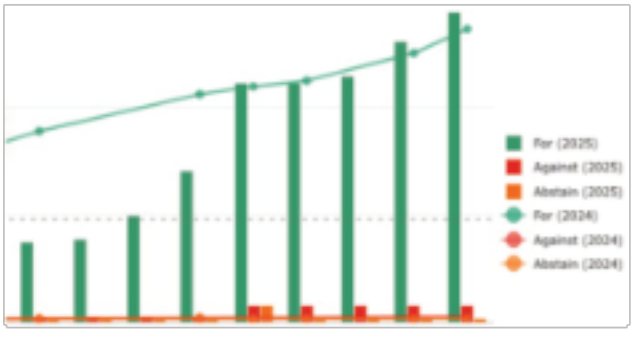
#	Investor	Shares	%OS	Influenced By	Report Date
1	Wellington Management Co. LLP	1,056,278	6.39%	Internal Guidelines	09/30/2025
2	BlackRock Fund Advisors	1,769,507	6.08%	Internal Guidelines	09/30/2025
3	Dimensional Fund Advisors LP	1,421,629	4.82%	ISS Moderate	09/30/2025
4	The Vanguard Group, Inc.	1,282,598	4.72%	Internal Guidelines	09/30/2025
5	Davis Asset Management LP	950,000	3.22%	Internal Guidelines	09/30/2025
6	Geode Capital Management LLC	758,229	2.57%	ISS Moderate	09/30/2025
7	American Century Investment M...	605,374	2.05%	Internal Guidelines	09/30/2025
8	SSgA Funds Management, Inc.	598,288	2.03%	Internal Guidelines	09/30/2025
9	Mellon Capital Management LLC	478,200	1.62%	Internal Guidelines	09/30/2025
10	Steven Capital Advisors LP	461,373	1.57%	Internal Guidelines	09/30/2025

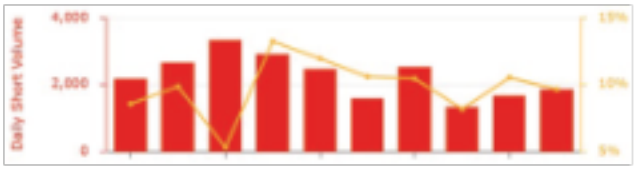
Invictus: Purpose-Built for Modern Investor Servicing

Historically, ownership and engagement data lived in disconnected systems and service teams, often delivered after the fact. Invictus transforms that approach with a single, fully integrated solution, offering:

Proxy Module

- **In the proxy module there is live vote monitoring and historical analysis**, enabling earlier intervention and smarter proxy planning.
- **Complete profile of the institutional investor holdings**, voting influences and contact information for investor engagement
- **Peer, governance, and voting analytics**, supporting informed board-level decisions.
- **Track vote progress**, forecast proxy advisory impacts, and manage meetings digitally
- **Historical voting data** is maintained year after year to enrich future analysis and projections





Ownership Intelligence and Shareholder Engagement Module

- **Real-time ownership intelligence and stock surveillance** that captures both institutional and retail trading dynamics
- **Integrated engagement tracking**, linking outreach efforts directly to shareholder behavior
- **Peer, trading, and ownership analytics**, supporting investor relations strategies
- **Contact management & engagement** centralize scheduling, notes, and follow-ups for a 360° view of shareholder interactions across issuer investor relations and governance functions.
- **Engagement data maintained historically** so all teams in the company can be aware of who, what, where, when as it relates to each institution

The result is a unified platform that replaces episodic reporting with continuous, decision-ready insight–a hallmark of next-generation investor servicing.

Institution Stakeholder Engagement Modernized

Invictus moves issuers away from broad, generic outreach to **targeted, effective strategies**, providing auditable records of:

- Engagement timing and outcomes
- Ownership shifts pre- and post-outreach
- Voting behavior tied to initiatives

By quantifying engagement, the platform transforms shareholder interaction from a qualitative exercise into a measurable governance function, supporting ESG reporting, stewardship discussions, and board-level decisions.

Invictus Sentinel: Early Detection of Activist Activity

Complementing the platform, Invictus Sentinel monitors critical trading in client stocks to detect early signs of activist involvement, ownership shifts, and tag-along investors–well before public filings. Designed for law firms, investment banks, investor relations and governance teams, Sentinel provides:

- **Real-time ownership intelligence** beyond standard 13F filers, including pension funds, sovereign wealth funds, non-filing hedge funds, and foreign investors
- **Early alerts** on activist accumulation, stock sales, and secondary "wolf-pack" activity, with cost-basis insights
- **Deep context** from 20+ years of proprietary proxy voting data and analyst support to interpret trades, investor behavior, and influence patterns
- **Strategic advantage** by monitoring intraweek trading and uncovering opportunities for proactive client engagement and defense strategy optimization
- **Flexible enterprise model** with tiered pricing, and concierge-level service

Together, these tools allow companies to shift from reactive, event-driven execution to proactive, continuous shareholder management, anticipating changes rather than responding after the fact.

Platform-enabled transparency, retail-aware engagement, and governance-ready insight are emerging as the standard for modern investor servicing–and Alliance Advisors is leading the way into 2026.

Why Alliance Advisors in 2026?

Alliance Advisors' growth to over 1,400 public company clients worldwide demonstrate its alignment with the future of investor servicing. By combining deep advisory expertise with proprietary, issuer-focused platforms like Invictus and Invictus Sentinel, companies can:

- Gain continuous, governance-ready visibility into shareholder behavior
- Track both retail and institutional engagement and voting trends
- Respond proactively to activist or ownership shifts
- Maximize ROI by reducing redundant data subscriptions and enhancing billable advisory work

Platform-enabled transparency, retail-aware engagement, and governance-ready insight are emerging as the standard for modern investor servicing–and Alliance Advisors is leading the way into 2026.

About Alliance Advisors

Alliance Advisors is the world's largest provider of shareholder-focused services for publicly traded companies. **In 2025, the firm completed 1,400+ assignments** across 14 countries, representing $14 trillion in market capitalization (largest client $500 billion), and monitored $6.3 billion in daily trading activity for over 200 companies.

RETAIL INVESTORS TAKE THE MIC:

ENGAGING THE MODERN SHAREHOLDER

Retail Influence on the Rise

The 2025 proxy season highlighted a paradox the *OPTIMIZER* has long noted: retail shareholders are more important than ever, yet remain seriously under-engaged when it comes to actually voting their proxies. At many large-cap companies, retail investors controlled nearly 40% of shares, but only 28% of those shares were voted–a nine-year low. And this number, please note well, is largely made up of broker votes, which can only be cast by brokers on "routine items." At many companies less than 5% of the shares held by retail investors are actually voted! Retail sentiment is no longer secondary - it can and often will tip the outcomes when institutional consensus is mixed.

Simplified voting programs can boost participation–but without education and transparency, true engagement will remain elusive.

Barriers to Engagement

Even as their influence grows, retail shareholders face persistent obstacles:

- **Complex proxy materials: Lengthy and legalistic disclosures can and do overwhelm and turn-off most retail investors.**
- **Lack of time - and know how - to make up one's mind on how to vote - and to *do it in ten minutes or less*, they say.**
- **Lack of knowledge on how to cast votes quickly and efficiently: Currently, as the numbers show, the vast majority of proxy packages are discarded by retail investors - or put aside for another time and left unvoted.**
- **Mis-perceived voting impact: Many retail investors assume - incorrectly - that their votes are too small to make a difference. *(This, in our experience, is the number-one cause of voter apathy.)***
- **Time vs. benefits: Clearly, the vast majority of retail investors view the task of understanding and deciding on proposals as too much effort relative to the perceived payoff.**

To help investors participate knowledgeably, and consistently, we created an inexpensive, easy-to-read booklet: "Shareholder Votes Have Value…Do Not Let Your Votes Go to Waste!© It addresses the top barriers–lack of understanding, perceived effort vs. benefits, the belief that small holdings don't matter and it tries to appeal to the strong desire of any sensible investor - to not see so much money going to waste. Printed copies can be easily and inexpensively included with mailed proxy packages - and distributed online, via links and QR codes, basically cost-free.

While convenience is important to investors, this alone does not create engagement. Education and empowerment are the cornerstones of meaningful participation.

CASE STUDY ONE

Exxon Mobil's Retail Voting Experiment

In 2025, Exxon Mobil received SEC approval to launch a program allowing retail investors to opt in to automatically align their votes with management recommendations via standing voting instructions. The initiative generated extensive media coverage, highlighting both its innovation and concerns that it could reinforce management control at the expense of informed shareholder engagement.

The *OPTIMIZER* extensively covered the program, expressing skepticism that currently absent voters will be suddenly motivated to sign up without strong and convincing investor education and noting that the effort actually ignores the notion that votes have real value - but time will tell. Even small holdings can tip outcomes–especially as more proposals are decided by razor-thin margins.The proof will be in the pudding in 2026, when Exxon's results reveal whether this high-profile effort truly paid off.

CASE STUDY TWO

A More Positive Example; Vanguard Investor Choice

By contrast, Vanguard's Investor Choice program shows how informed, scalable retail engagement works. In 2025, retail shareholders could vote according to personal policy preferences, and participation nearly doubled–from 36,000 to 82,000 investors–covering almost 14,000 proposals across 1,300 meetings.

Unlike the Exxon materials, Vanguard emphasizes education, transparency, and personal choice, proving that retail investors will engage meaningfully when given the right tools. Looking ahead to 2026, Vanguard plans to expand coverage to more U.S. equity index funds, reaching over 20 million shareholders representing $3 trillion in assets. The *OPTIMIZER* notes that while this expansion is ambitious, and the uptake so far has been modest, the ultimate impact on informed voting remains to be seen - but in any event, there needs to be a consistent and long-term *educational effort.*

10 priorities for issuers and service providers in 2026 to improve retail investor voting:

1. Segment shareholders by voting behavior to target outreach more effectively.
2. Emphasize the value of voting - and the money that is wasted when investors don't vote–to explain and reinforce the importance of participation and of *forming a habit of voting - on time.*
3. Include the text of, and/or a link to, our educational and motivational booklet Shareholder Votes Have Value® in all retail engagement efforts.
4. Begin by enclosing printed copies in all proxy packages delivered by mail. (The cost is truly nominal and far less expensive than inserts with empty slogans like "Let Your Votes Be Heard.") See notes below for cost estimates.)
5. Be sure to include links to the booklet for all e-voting accounts–on all voting platforms, on your IR web pages, and be sure to include QR codes. (The cost is essentially nil, and uptake can be easily tracked.)
6. Consider asking the SEC to allow inclusion of the booklet with the NOTICES, where it would essentially "ride free." These accounts are the least likely to make a special trip to the web to view materials and to actually vote–unless educated and motivated to do so.
7. Consider "putting your money where your mouth is" by promising a charitable donation for every account that votes. This alone can add up to six percentage points in new–and mostly pro-management–votes.
8. Invest in online educational and motivational tools, such as videos aimed at retail and employee investors, and interactive guides for using mobile apps to cast votes. Emphasize mobile-first, multi-channel approaches to reduce friction.
9. Track engagement metrics to refine strategy in real time and to inform planning for the following year.
10. Consider sending a thank-you note to retail and employee voters after the AGM.

A RADICAL SOLUTION TO ADDRESS THE "RETAIL VOTING APATHY CRISIS"

We, of course, understand the need for full and fulsome disclosures in proxy voting materials. But it's time, we say, to treat voters like the adults they are.

Enclose brief synopses of the proposals at hand, along with Management's recommendations, *with the NOTICES themselves*–and refer readers who want more detail to the full Proxy Statement.

The current method forces all e-voters–who now make up the vast majority of voters–to stop what they're doing, go to a computer (or maybe their tablet or smartphone), navigate to a voting site, locate and review the relevant materials, and then key in their choices. No wonder retail investor voting keeps dropping, year after year.

Still further, ask the SEC for permission to enclose the educational booklet *"Shareholder Votes Have Value"* with the Notices themselves, where it would ride free of extra postage. We can't imagine they'd refuse permission.

Finally, consider enclosing a postage-paid return envelope that investors can use to vote by mail. In many cases, this is actually the fastest and easiest way to cast one's votes–"once and done," in minutes–and it goes straight to the heart of the apathy issue.

COST-EFFECTIVE PRICING

Licensing Fee: $2,500

Full use of our copyrighted Shareholder Votes Have Value booklet with unlimited impressions on all 2026 IR / Annual Meeting landing pages and voting platforms–track engagement with unique QR codes. Printing, shipping, and postage are separate.

Printing Costs: 4 pages, 8.5" x 5.5" flat (4.25" x 5.5" finished), 70# uncoated text, 4-color both sides, cut & folded.

- 25,000 copies → $0.051 each ($1,275)
- 50,000 copies → $0.044 each ($2,200)
- 100,000 copies → $0.040 each ($4,000)
- Additional copies beyond 100,000 → $0.030 each
- Optional: Branded introductory letter : $2,500

Why It Works:

- High-impact, unlimited investor education impressions
- Flexible for digital and print to maximize reach
- Lower CPM at higher volumes

Alliance Advisors' Next-Generation, Multi-Channel Approach

The retail shareholder base is bigger, more active, and more influential than ever driven by the "Robinhood effect," a rapidly expanding ETF investor base, SPACs, smaller biotech and crypto companies, and larger issuers with growing retail ownership. Retail votes can directly impact Board decisions, governance, and corporate strategy, and are often critical to driving tough votes over the needed thresholds at Annual and Special Meetings.

Alliance Advisors has taken a leadership role in redefining how companies engage this evolving shareholder base. Through a modern, digital-first, multi-channel strategy, we make participation easy, measurable, and highly effective–delivering results that traditional methods alone can no longer achieve.

Alliance Advisors prioritizes data security, maintaining secure cloud systems, SOC 2 Type II compliance, and rigorous backup protocols to ensure campaigns run uninterrupted.

Why Retail Engagement Matters

In retail heavy companies with little institutional ownership most proxy firms can reach roughly 30% of the outstanding shares. Alliance Advisors specializes in securing the final 20%, cost-effectively and efficiently, combining:

- **Traditional mail and phone** for large shareholders
- **Targeted digital tools**–text, email, mail with QR codes–for smaller or hard-to-reach investors

Alliance Advisors campaigns are designed to **drive actual vote submission**, not just mail delivery. Each one of their tools provides shareholders with the ability to vote instantly and effortlessly.

Digital tools are an absolute necessity for solicitations involving, retail-heavy public companies like biotech's, crypto, REITs, BDCs, SPACs, and investment companies (open-end funds, closed-end funds, and ETFs).

2025 Retail Engagement at a Glance

In 2025, Alliance Advisors executed **approximately 270 Retail Engagement campaigns**. Across these campaigns, they called/connected with 8.25 million shareholders, sent **3.7 million specialized mail pieces, 17.2 million emails, and 26.6 million texts**, capturing **hundreds of thousands of electronic votes**. Alliance Advisors has ability to engage retail shareholders at scale, across multiple channels, driving measurable voting outcomes.

Multi-Channel Tools & Approach

- **Text & Email-to-Vote** – Mobile-friendly, secure, click-to-vote links
- **Targeted Mailings** – Eye-catching postcards with QR codes and 800 numbers
- **Outbound Calling** – Cloud-based, multilingual, scalable campaigns
- **Full-Service Execution & Reporting** – Secure platform (SOC 2 Type II) with real-time tracking.

Campaigns typically start with traditional mail and outbound telephone campaigns then transition to digital channels when vote returns from mail and telephone have stopped. This strategy maximizes participation while controlling costs.

Data Security & Technology

Alliance Advisors prioritizes data security, maintaining secure cloud systems, SOC 2 Type II compliance, and rigorous backup protocols to ensure campaigns run uninterrupted. They have made investments in technology, staffing, and equipment that guarantees the highest level of client information security and compliance.

Why Retail Matters in 2026

Retail shareholders are active, decisive, and critical in close votes. Alliance Advisors ensures these votes are captured through **personalized, multi-channel engagement**, making voting simple, accessible, and highly effective.

Alliance ADVISORS

C-Suite Turnover and the Impact on Shareholder Servicing: A Major Strategic Reset in 2025–2026

C-suite turnover across CEOs, CFOs, GCs, Corporate Secretaries, and IROs reached record levels in 2025 and shows little sign of slowing in 2026. This is far from routine executive churn. Boards–under mounting shareholder scrutiny and, in many cases, political pressure–seem to be mounting a strategic reset, refreshing leadership teams to tackle AI integration, regulatory complexity, activist campaigns, and an increasingly large and vocal retail investor base. Across roles, tenure is shortening, interim appointments are rising, and ensuring the C-suite is "fit for the next phase" is taking precedence over simple continuity.

For issuers and their service providers, turnover in the C-Suite has direct implications for shareholder servicing as executives rotate more frequently.

While large and mega-cap companies dominate headlines, this turnover is seen across all market caps. Small- and micro-cap companies and companies in specialized sectors like biotech are experiencing high turnover, often amplified by limited bench strength, smaller leadership teams, and heightened activist or shareholder scrutiny. For these companies, the impact on investor servicing and shareholder communication can be especially pronounced.

High-profile transitions highlight the scope of change. **Berkshire Hathaway** appointed Greg Abel as CEO effective January 1, 2026, marking a generational transition. **Walmart** named John Furner as CEO in early 2026 amid a broader executive reshuffle focused on growth and digital strategy. **Coca-Cola** announced Henrique Braun will take over as CEO in March 2026, signaling a pivot toward future growth. Even in retail**, Target**'s CEO Brian Cornell is moving into an executive chairman role as the company transitions leadership amidst changing consumer patterns.

For issuers and their service providers, turnover in the C-Suite has direct implications for shareholder servicing. As executives rotate more frequently–and boards respond to investor demands for performance, governance clarity, and strategic precision–shareholders increasingly expect clear, consistent, and credible communication of strategy and performance. This is particularly critical heading into the 2026 proxy and annual meeting season, where leadership stability and clarity directly influence voting outcomes, engagement, and investor confidence.

CEOs: Shorter Tenure, Higher Expectations

Global CEO turnover hit a **record high in 2025**. Within the S&P 500, succession rates climbed to roughly 12.5%–13%, up from near 10% in 2024. By August 2025, more than **1,500 U.S. CEOs** had exited–the highest year-to-date total on record[1].

Turnover is no longer limited to under-performers. Even top-quartile companies experienced CEO turnover of ~12%, signaling boards are prioritizing **strategic fit over past results**. Small- and micro-cap companies often see **even higher relative turnover**, where fewer executives are available to step into leadership roles, amplifying the effect on operational continuity and shareholder communication. Political pressures and activist campaigns are accelerating scrutiny on boards and CEO decisions, driving faster leadership change.

CFOs: Expanded Mandates, Accelerated Exits

CFO turnover mirrored CEOs, reaching **15.1% globally**, while S&P 500 turnover hit 12% in the first half of 2025[2]. Retirements accounted for 58% of departures, with the average age dropping to 56.

The CFO role now spans capital allocation, AI investment, ESG reporting, and enterprise risk management. Many departing CFOs move into CEO or president roles rather than lateral finance positions. Smaller companies with higher turnover and fewer internal promotion options face additional challenges in delivering consistent shareholder messaging.

GCs, Corporate Secretaries, and IROs: Governance and Communication Under Pressure

Governance roles face high churn, which can reshape proxy and annual meeting dynamics. General Counsel tenure has shrunk to ~6.1 years, and over half of new appointments were external hires to navigate activism, regulation, and political scrutiny[3]. Activist campaigns trigger cascading turnover, with Corporate Secretaries often replaced alongside CEOs.

Investor Relations Officers are on the front line. Median IRO tenure is just 2.8 years, and the role has risen in stature: 61% of IROs report an elevated profile, while 80% now manage ESG and competitive intelligence responsibilities. Boards are increasingly focused on credible clarity, expecting IROs to translate complex leadership shifts into a coherent investor narrative–or risk replacement. In small- and micro-cap companies, where IROs may also serve broader corporate functions, delivering timely, accurate, and consistent messaging is critical to maintaining shareholder trust during annual meetings.

References

1. Conference Board, Global CEO Succession Trends, 2025
2. Deloitte, CFO Signals, H1 2025
3. Korn Ferry, General Counsel and Governance Outlook, 2025

Board Refreshment Trends – Public Companies in 2025-2026

In 2025, public company boards continued to evolve, but not as quickly as the C-suite. While executive turnover drew attention, board refreshment slowed and became more selective. Companies focused on stability, experience, and the right mix of skills amid economic and governance uncertainty.

1. Refreshment Slowed in the S&P 500

- S&P 500 companies appointed 374 new independent directors in 2025 – 8% fewer than in 2024, the lowest total since 2016.[1]
- That is about 0.8 new independent directors per board, and only 50% of boards added any new director – down from 58% in 2024.[1]

Boards are not avoiding refreshment entirely, but they are being selective, favoring continuity and experience over rapid turnover.

2. Skills Over Turnover

New directors tend to have CEO or finance experience, emphasizing expertise over novelty.

Across the broader Russell 3000, new directors as a share of all seats dropped from 13.3% in 2022 to 8.6% in 2025,[2] showing that slower, skills-focused refreshment is a broader trend. Boards increasingly seek expertise in technology, cybersecurity, and human capital.

3. Shareholder Influence

Shareholder activists continue to affect board composition. In the first half of 2025, they secured a record 112 board seats at U.S. companies – often through settlement agreements rather than full proxy contests.[3]

While overall turnover is slower, investor pressure continues to drive board changes, especially when speed and responsiveness matter.

4. Governance Policies

Boards are tightening over-boarding limits to ensure directors have sufficient time for their responsibilities.[2] Between 2020 and 2025, more boards adopted policies limiting the number of boards a director can serve on, supporting both effectiveness and planned refreshment.

In 2026, boards will refresh carefully, prioritizing experience and investors' needs.

Looking Ahead to 2026

- **Refreshment will remain selective.** Boards will continue to prioritize continuity and depth over rapid change.
- **Skills are the focus.** Expertise in technology, finance, risk management, and human capital will remain critical.
- **Shareholder expectations are evolving.** Activist-driven changes will continue to influence boards, but all boards will face broader pressure to respond proactively to investor needs.
- **Modern investor servicing is increasingly important.** Boards will need directors who understand trends in shareholder engagement, ESG disclosure, proxy advisory influence, and digital communication channels.
- **Integration with strategy and risk oversight.** As boards modernize investor servicing, they will need to integrate these capabilities with broader strategic decision-making and risk management.

The narrative for 2026: boards will focus on targeted, skills-driven refreshment while adapting to new demands from investors and the market. Stability, expertise, and effective shareholder engagement will define governance in the coming year.

Footnotes/Sources

1. Spencer Stuart, 2025 U.S. Board Index – S&P 500 director appointments.
2. Russell 3000 board turnover trends; overboarding policy growth, 2020–2025.
3. Diligent Market Intelligence, H1 2025 Proxy Season Review – activist board wins.

MACKENZIE PARTNERS, INC.
Bob Marese
President, MacKenzie Partners

THE IMPACT OF RETAIL VOTERS ON M&A TRANSACTIONS

In recent years, mergers and acquisitions (M&A) have been influenced by a new and increasingly vocal stakeholder group: retail voters. These individual investors–often active through online platforms and social media–are reshaping the governance dynamics around strategic corporate decisions. Their impact extends from shareholder meetings to proxy contests, affecting how deals are evaluated, debated, executed and ultimately closed upon.

While individual retail stakes may be small, their collective voice can be decisive in closely contested M&A votes.

Who Are Retail Voters in the Context of M&A?

Retail voters are individual shareholders who hold equity stakes in public companies. Traditionally, institutional investors such as pension funds, mutual funds, and hedge funds dominated shareholder discussions around M&A. With the rise of commission-free trading and digital investor communities, however, in many public companies, individual investors now represent a proliferating force in the ownership bas. While individual stakes may be small, the collective voice of retail shareholders can be significant–especially in tightly contested votes or where institutional investors, and/or the proxy advisory services (ISS and Glass Lewis) are divided.

Why Retail Voters Matter in M&A Decisions

Public company M&A transactions often require shareholder approval. Retail voters, therefore, can influence outcomes in several meaningful ways:

1. Shifting Deal Outcomes Through Collective Action

Retail investors can sway the success or failure of proposed mergers and acquisitions, particularly in companies with widely distributed share ownership. Although no single retail investor typically holds enough shares to influence a vote independently, coordinated voting–frequently mobilized through online forums, press releases and SEC filings –can tip decisions when institutional investors are conflicted or indifferent.

For example, when activist campaigns target perceived undervaluation or strategic missteps, retail investors may band together to support initiatives such as a breakup, sale, or rejection of a merger proposal. Their collective voting bloc sometimes changes the trajectory of deals by amplifying shareholder dissent or affirming support for management's strategy.

2. Amplifying Awareness and Scrutiny

Retail investors often use social media platforms like Reddit, Twitter, and financial forums to analyze and discuss corporate actions. These communities can propagate detailed critiques of merger terms, question valuation assumptions, and highlight overlooked risks or opportunities. This widespread scrutiny–sometimes dubbed "crowdsourced due diligence"–can pressure boards and executives to defend decisions more transparently or reconsider the terms offered.

In some cases, retail debate over a transaction can sway institutional investors or attract media attention, increasing reputational risk for management teams. Even if retail investors do not block a deal, they can accelerate or intensify negotiations by spotlighting perceived shortcomings in strategy or valuation.

3. Engaging in Proxy Fights and Governance Activism

Retail voters have increasingly participated in proxy battles–contests where shareholders vote to elect board members or adopt corporate governance proposals. Though these fights

have traditionally been the domain of large institutional investors, technology has lowered barriers to entry for retail shareholders to join forces with activist investors.

Activist hedge funds may solicit retail support to overcome opposition from entrenched boards. Retail shareholders' backing can lend legitimacy and breadth to activist campaigns, forcing boards to engage in governance reforms that could impact strategic decisions, including M&A initiatives.

4. Influencing Market Perception and Valuation

Beyond formal voting, the sentiment of retail investors can shape market reaction to M&A announcements. A deal that resonates poorly with individual investors–perhaps due to concerns about dilution, debt financing, reduction or elimination of dividends, or strategic fit–can experience downward pressure on the target's or acquirer's share price. Though price movements are not direct determinants of deal completion (except where the deal is stock-based), they can signal broader investor confidence and can affect management incentives and board decision-making.

Conversely, positive buzz among retail communities can bolster momentum for a transaction, support valuation expectations, and encourage institutional alignment. Though sometimes a "meme stock" mentality of unreasonable expectations can prevail.

Challenges and Limitations

Despite their growing relevance, retail voters also face limitations:

- **Dispersed Ownership:** Retail investors' stakes are usually fragmented, making sustained coordination difficult.
- **Information Asymmetry:** Individual investors often lack the resources to conduct the in-depth due diligence available to institutional counterparts.
- **Turnout Variability:** Retail voter turnout in proxy votes is often low, reducing the practical impact of collective sentiment unless mobilized effectively.

Crowdsourced due diligence from online investor communities is forcing boards to defend deal terms with greater transparency.

Looking Ahead: The Evolving Role of Retail Investors in M&A

As democratized investing and digital engagement continue to expand, the influence of retail voters on M&A activity is poised to grow. Boards and corporate advisors increasingly recognize the need to engage retail shareholders proactively - providing clear, accessible information and addressing concerns before critical votes.

Regulators, too, are adapting to a landscape where retail participation is more pronounced, with adjustments in disclosure requirements and proxy processes aimed at enhancing transparency and fairness for all investors.

Ultimately, while retail voters may not yet rival the clout of institutional shareholders, they have become a consequential voice in shaping the strategic direction of many companies, especially small and micro-caps. Their collective influence adds a new dimension to M&A governance - one that requires thoughtful engagement, credible communication, and a keen understanding of investor sentiment in a digitally connected era.

About MacKenzie Partners, Inc.

Founded in 1990, MacKenzie Partners advises boards and management teams on mergers, acquisitions, and contested corporate transactions where shareholder approval is critical. With more than a century of collective senior-level experience and involvement in hundreds of landmark mergers, tender offers, and proxy contests, the firm is a trusted advisor on navigating both institutional and increasingly influential retail shareholder dynamics to drive successful outcomes.

You deserve to have the Winning Team on your side!

Victory in a thoroughbred race requires a talented jockey, an experienced trainer, a strong, sound horse and sometimes a little luck. Don't rely on luck in your proxy campaign, governance battle, tender offer, merger or restructuring. Call on MacKenzie Partners and ask us to join your team so that you too will cross the finish line first.

With the experience, resourcefulness and tenacity of MacKenzie Partners on your side, you can be sure to get to the finish line first every time. Find out for yourself why our firm is recommended by more leading attorneys, investment bankers and public relations advisors to provide counseling and solicitation services to their clients in crucial proxy campaigns, corporate governance matters, proxy fights, mergers and tender offer battles.

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- Tender and Exchange Offers

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Executive Vice President, Laurel Hill Advisory Group, LLC

CANADIAN AND U.S. PROXY MARKETS OUTLOOK FOR 2026 AND CROSS-BORDER TRENDS

As the lines between Canadian and U.S. capital markets continue to blur, proxy season is no longer a jurisdiction-by-jurisdiction exercise. For many issuers, particularly those with dual listings or significant cross-border ownership, shareholder engagement, governance expectations, and disclosure practices are converging into a single, more complex ecosystem.

Heading into the 2026 proxy season, this convergence presents both friction and opportunity. Boards that understand where the markets are aligning, and where they still diverge, will be better positioned to avoid surprises, strengthen investor confidence, and execute smoother annual and special meetings.

Investors across both markets are looking closely at board composition, executive compensation design, ESG oversight, and enterprise risk management.

The Cross-Border Proxy Environment

Canadian issuers are increasingly global in both footprint and ownership. U.S. institutional investors now represent a meaningful portion of the shareholder base for many Canadian companies, while dual listings expose issuers to two regulatory frameworks, two proxy infrastructures, and overlapping but distinct investor expectations.

This reality has raised the bar for consistency. Proxy solicitation strategies, shareholder communications, and governance disclosures are now expected to translate seamlessly across borders. Disjointed messaging or uneven engagement approaches can create confusion, erode credibility, and invite unnecessary scrutiny from investors and proxy advisory firms.

From a board perspective, the challenge is no longer simply complying with local rules. It is ensuring that governance narratives, compensation rationales, and engagement strategies resonate with a broader, increasingly sophisticated shareholder audience.

Key Trends Shaping the 2026 Proxy Season

Retail engagement continues to evolve rapidly on both sides of the border. In Canada, retail participation remains relatively strong, with participation rates hovering in the mid-50 percent range. In the U.S., mobile and digital voting adoption is accelerating, reshaping how retail shareholders interact with proxy materials and meeting outcomes. The opportunity for issuers lies in meeting shareholders where they are, using mobile-friendly platforms, simplified messaging, and targeted outreach to improve participation without increasing noise.

Technology and workflow modernization is another defining theme. E-delivery of materials, virtual and hybrid meetings, and integrated digital workflows are no longer optional enhancements. They are becoming standard practice. In the U.S., regulatory and structural developments such as universal proxy mechanics and EDGAR Next underscore the importance of operational readiness and systems that can handle complexity without sacrificing accuracy or timing. Issuers that invest in integrated processes benefit from greater efficiency, reduced execution risk, and clearer internal visibility during proxy season.

Governance and disclosure alignment is also under sharper focus. Investors across both markets are looking closely at board composition, executive compensation design, ESG oversight, and enterprise risk management. While regulatory frameworks may differ, investor expectations increasingly do not. Consistent, well-articulated disclosures across jurisdictions help boards tell a coherent story, reduce interpretive gaps, and build long-term trust with shareholders.

At the same time, activism and contested situations remain a persistent feature of the landscape. Cross-border contests introduce additional layers of complexity, from differing solicitation rules to varied proxy plumbing and vote reporting practices. In these situations, deep familiarity with both markets is not just helpful; it is essential.

Laurel Hill's Role in Supporting Issuers

Against this backdrop, Laurel Hill Advisory Group serves as a strategic partner to boards and management teams navigating cross-border proxy challenges. Its advisory work extends beyond

technical compliance to encompass governance best practices, disclosure strategy, and meeting preparedness.

Laurel Hill supports shareholder engagement through coordinated digital and print strategies designed to enhance participation while maintaining message discipline. Its proxy solicitation team brings extensive experience managing complex and contested meetings, where timing, transparency, and precision can directly influence outcomes.

Equally important is Laurel Hill's focus on integrated workflows. Coordinated filings, harmonized materials, and real-time analytics help issuers maintain consistency across jurisdictions and respond quickly as voting dynamics evolve. This integrated approach reflects a broader industry recognition that successful proxy execution depends as much on process and infrastructure as it does on strategy.

Expert Insight: Preparing for 2026

From Laurel Hill's perspective, one of the most common cross-border challenges for Canadian issuers is underestimating how closely U.S. investors examine governance alignment. Differences that may seem routine domestically can raise questions when viewed through a U.S. institutional lens.

Canadian shareholder behavior also differs subtly from U.S. trends. While Canadian retail participation remains comparatively strong, U.S. investors are quicker to adopt digital engagement tools and expect timely, data-driven communication throughout the voting period.

Looking ahead, regulatory and technological changes will continue to shape proxy season dynamics. Enhanced digital filing environments, evolving proxy mechanics, and increased scrutiny of ESG disclosures will all demand earlier preparation and tighter coordination.

For boards, strengthening governance and ESG disclosure is less about adding volume and more about clarity. Clear articulation of oversight, accountability, and responsiveness matters more than ever. Laurel Hill's advisory approach emphasizes anticipation rather than reaction, helping clients identify pressure points well before proxy materials are finalized.

The central takeaway for issuers heading into 2026 is straightforward: preparedness is a competitive advantage.

Looking Ahead to the 2026 Proxy Season

Success in the 2026 proxy season will extend beyond basic compliance. It will require thoughtful integration of practices across markets, meaningful engagement with an increasingly diverse shareholder base, and disciplined preparation that anticipates regulatory and investor expectations. Boards are navigating a shareholder base that increasingly applies U.S. governance expectations across borders. Preparation and alignment are no longer optional. They're essential to avoiding surprises and building durable shareholder support

As Canadian and U.S. proxy landscapes continue to converge, boards that invest in alignment and execution will be better equipped to navigate complexity with confidence. Laurel Hill Advisory Group remains committed to supporting issuers with seamless, effective cross-border proxy solutions that help turn complexity into clarity.

Cross-Border Proxy Considerations for 2026

What are the key cross-border challenges for Canadian issuers?
The primary challenge is aligning governance practices and disclosures to meet U.S. investor expectations while remaining compliant with Canadian requirements. Inconsistent messaging across markets can create confusion and elevate voting risk.

How do Canadian shareholder trends differ from the U.S.?
Canadian markets continue to show relatively strong retail participation, while U.S. voting outcomes are more heavily influenced by institutional investors and proxy advisors. Engagement strategies must reflect these differences.

Which regulatory or technology changes will shape 2026?
Expanded digital delivery, virtual meetings, and integrated workflows are becoming standard. U.S. developments such as universal proxy and EDGAR Next are raising expectations for operational readiness across all issuers.

How can issuers strengthen governance and ESG disclosure?
Focus on clarity and consistency. Investors value a coherent governance narrative, clear oversight structures, and evidence of board responsiveness more than additional disclosure volume.

How does Laurel Hill's advisory approach help clients prepare?
Laurel Hill helps issuers anticipate investor concerns, align cross-border disclosures, and execute proxy seasons with greater visibility and fewer surprises through integrated advisory and solicitation support.

BEWARE!

Shareholder Activism is showing its teeth

We'll make sure you don't get bit

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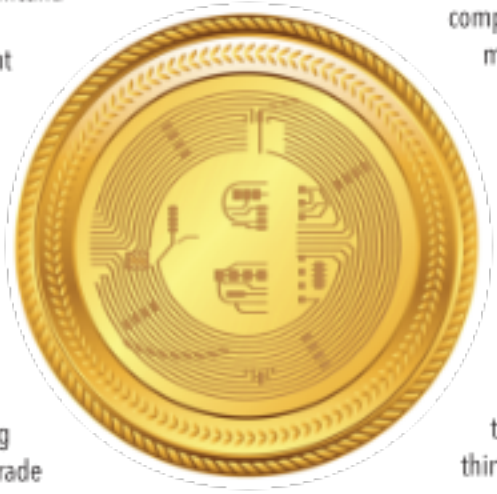
TOKENIZATION IS HERE – BUT THE RULES HAVEN'T CAUGHT UP

Tokenization - the conversion of traditional financial assets such as stocks, bonds, fund shares, and private securities into digital tokens on a blockchain - has become a fixture at investor-servicing conferences, across industry blogs, and in expert "white papers." The promise is appealing: faster trading and settlement, cleaner record-keeping, and a more efficient shareholder voting process for public companies.

Both the SEC and the Securities Transfer Association agree that tokenized securities should follow the same transfer rules as stocks - but complexity and technology gaps are massive, and many key players are still behind.

Yet while the technology is advancing rapidly, the regulatory framework supporting it has lagged woefully behind. As a result, the risk profile for corporate issuers, their stakeholders, and their service providers remains significant.



As Liz Dunshee pointed out in a recent *TheCorporateCounsel.net* post, *"Tokenization: Time to Start Paying Attention"*, blockchain could seriously shake up the industry. But Liz also concedes "that we've been talking about this since at least 2016 – including Nasdaq's practice run for blockchain voting in Estonia!" She adds, however, that "at this point it seems much closer to becoming reality." Imagine near-instant trade settlement, peer-to-peer trading, and finally fixing the long-standing, messy "proxy plumbing" issues that make it hard to know who owns–or votes–shares. As evidence of progress, Liz highlighted the SEC's recent update to Nasdaq's DTC pilot, which allows member firms and eligible investors to trade tokenized equities and ETFs, with DTC clearing and settling trades in token form. Add commentary from Larry Fink, SEC Chair Paul Atkins, the NYSE, and corporate issuers, and it's clear that tokenization is no longer a niche experiment–it's firmly on the radar of the big players heading into 2026.

For public companies, investor service providers, and shareholders, the promise is real: faster settlement, automated corporate actions, and clearer ownership records. But it's not simple. Blockchain records still have to align with legal ownership standards, and plenty of intermediaries remain way behind on technology. Both the SEC and the Securities Transfer Association stress that tokens must follow the same transfer rules as traditional stocks–but making that happen is far from straightforward.

THE *OPTIMIZER'S* VIEW

Your editors remain wary. Both the SEC and the Securities Transfer Association agree that tokenized securities should follow the same transfer rules as stocks - but complexity and technology gaps are massive, and many key players are still behind. Even worse, the SEC has been promising to update Transfer Agency rules for **thirty years** - with nothing actually on the table. They once considered a tiered system for transfer agents, based on client counts and market caps to manage risk, but it never went anywhere. Layering tokens and blockchain on top of outdated systems only makes things riskier for investors.

We're also blunt in our own observations: The only real use for tokens, as evidenced to date–and cryptocurrencies more broadly–appears to be money laundering. So far, we see nothing that will improve investor servicing - or market efficiency.

We do hope to be proven wrong here.

BORDEN
CONSULTING GROUP

2025 JUDICIAL RECAP

FEDERAL COURTS REASSERT OWNERS' RIGHTS IN UNCLAIMED PROPERTY CASES

By Jennifer Borden & Jenna Bentley

In prior years, this update has highlighted issues of concern in the unclaimed property space for issuers and shareholders. These concerns often included audit risk, shortened dormancy periods, changes to dormancy triggers designed to accelerate escheatment, and shareholder loss resulting from state liquidation of property. While such measures increase state collections, shareholders are frequently harmed–whether through the inconvenience of reclaiming their own property, unexpected tax consequences, or market loss.

These decisions reflect a growing federal consensus: property owners retain constitutional rights while their property is in the custody of the state.

In 2025, however, the tide appears to be turning back in favor of owners. Several federal court decisions have concluded that the manner in which states administer their unclaimed property laws may violate the Constitution. These rulings challenge states' ability to limit property rights, highlight failures to provide constitutionally sufficient notice before taking property, and reaffirm owners' entitlement to just compensation. Collectively, they mark a significant and encouraging shift in the legal landscape.

When "Unclaimed" Still Means Owned

At the center of these decisions is a shared principle: property labeled "unclaimed" does not cease to be owned. States that take custody of property remain bound by constitutional constraints, regardless of statutory characterizations or administrative convenience.

Standing and the Right to Immediate Compensation: Knellinger v. Young

In April, the U.S. Court of Appeals for the Tenth Circuit allowed Knellinger et al. v. Young et al. to proceed. The court found that property owners had standing to challenge Colorado's taking of their property under the Fifth and Fourteenth Amendments.

In Knellinger, the owners discovered–only by searching Colorado's unclaimed property website–that their property had been transferred to the State Treasury. Under Colorado law, the Treasurer is required to notify property owners directly only if the Treasurer has the owner's email address. As a result, the owners received no notice that their property had been taken and were provided no compensation. The State sought dismissal on technical grounds, arguing that the owners had not suffered a legally cognizable injury.

The Tenth Circuit rejected that argument, emphasizing that an uncompensated taking is a classic example of concrete financial harm sufficient to confer standing. The court further explained that the right to just compensation under the Fifth Amendment arises at the moment of the taking and exists regardless of the availability of post-taking remedies, such as filing a claim to recover the property. In other words, a property owner has an actionable constitutional claim the instant the government seizes property without compensation.

Notably, the court observed that "if Colorado wishes to avoid defending against [such lawsuits] … it may always decide voluntarily to revise its laws or practices with respect to unclaimed property."

Notice Matters: Due Process Limits in Garza v. Woods

In August, the U.S. Court of Appeals for the Ninth Circuit reversed a portion of the lower court's decision in Garza et al. v. Woods et al., holding that property owners had stated a viable due process claim based on Arizona's notice procedures.

The plaintiffs in Garza possessed several checks issued by businesses including healthcare providers, financial institutions, and car dealerships. Arizona's unclaimed property law does not require the Department of Revenue to provide actual notice to owners when it takes custody of property. Instead, the State relies on maintaining a website, publishing notice in a newspaper of general circulation, and employing other methods deemed likely to attract the owner's attention.

The Ninth Circuit held that "when someone–even the government–possesses property lawfully owned by another without the owner's consent, an invasion of the owner's legally protected interest has occurred." The court emphasized that property owners retain legally protected interests regardless of actual possession or use, particularly given the short dormancy periods common in unclaimed property statutes. That interest, the court concluded, entitled the owners to constitutionally sufficient notice.

Longstanding Supreme Court precedent requires that notice be "reasonably calculated, under all the circumstances," to reach the interested party. Applying that standard, the Ninth Circuit concluded that notice by publication–and notice provided indirectly by a third party such as the holder–was insufficient. In other words, a state may not rely on a holder's due diligence mailing to satisfy its own constitutional notice obligations. The court further determined that sovereign immunity does not shield states from claims alleging that property was seized through an unconstitutional process.

Interest, Abandonment, and the Takings Clause: Hendershot v. Stanton

In December, the U.S. Court of Appeals for the Sixth Circuit reversed the dismissal of Hendershot v. Stanton et al., a case challenging Michigan's failure to pay interest on unclaimed property held by the state. The plaintiff alleged that Michigan's retention of interest constituted an unconstitutional taking.

The district court dismissed the claim, reasoning that Michigan law does not confer a property right to interest earned while property is deemed "abandoned" and held by the state. On appeal, the Sixth Circuit took a markedly different view. While acknowledging that state law may inform the existence of a property interest, the court emphasized that state law cannot be the sole source of that determination.

The Sixth Circuit questioned Michigan's statutory characterization of property as "abandoned," noting that such labels cannot be used to extinguish constitutional rights. The court made clear that a state cannot eliminate private property rights by statute, even during the period in which property is held in state custody. Citing the Supreme Court's 2023 decision in Tyler v. Hennepin County, the court reaffirmed that constitutional limits govern a state's ability to treat owner inactivity as abandonment for purposes of avoiding the Takings Clause.

The court also expressed skepticism regarding a 2024 Michigan state court decision, Kemerer v. Michigan, which held that owners of presumptively abandoned property do not retain a superior interest while the property is in state custody and that common-law rules regarding interest do not apply. The Sixth Circuit observed, however, that Michigan does not acquire title to unclaimed property–much less any interest earned on it.

Implications for Delaware and Beyond

Taken together, these decisions reflect a growing federal consensus: property owners retain constitutional rights while their property is in the custody of the state. As the Sixth Circuit emphasized in Hendershot, federal courts must evaluate state unclaimed property procedures in conjunction with constitutional protections.

These principles will be central when the Delaware Chancery Court hears the appeal of a shareholder who received no notice before the state took–and subsequently sold–her shares. When the shareholder ultimately filed a claim, she received only one-tenth of their value. In effect, the State retained ninety percent of her retirement savings.

The federal cases decided in 2025 provide strong grounds for optimism that failures to provide notice or just compensation–whether in Delaware or elsewhere–will not withstand constitutional scrutiny.

2026 CONFERENCE SCHEDULE

SAVE THE DATE

NIRI
THE ASSOCIATION FOR INVESTOR RELATIONS

2026 ANNUAL CONFERENCE

JUNE 7-9
Sheraton Grand Chicago Riverwalk
Chicago, IL

Flagship IR conference for investor relations professionals, featuring plenary sessions, workshops, and networking opportunities.

SAVE THE DATE

SOCIETY for Corporate Governance
Empowering governance professionals

2026 NATIONAL CONFERENCE

JULY 7-10
Omni Nashville
Nashville, TN

Major annual event for governance professionals with plenary sessions, breakout workshops, and networking opportunities.

SAVE THE DATE

SSA
SHAREHOLDER SERVICES ASSOCIATION

2026 ANNUAL CONFERENCE

JULY 19-21
Omni Parker
Boston, MA

SSA's flagship annual event for shareholder services and IR professionals.

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THE SHAREHOLDER SERVICE
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PROVIDING STRATEGIC AND PRACTICAL ADVICE - AND MONEY-SAVING TIPS...SINCE 1994

Q4 | 2025

IN THIS ISSUE:

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2025 MARKS THE 25TH ANNIVERSARY OF "NOTICE AND ACCESS" – THE BEST "PUSH-MODEL" EVER!

BILLIONS OF DOLLARS SAVED. BUT NOW, IT DESPERATELY NEEDS A FIX: A "PULL-MODEL" THAT WORKS – AND A RADICAL RE-ORDERING OF REQUIRED INFO

Issuers of securities should be sounding big cheers for 25 years of Notice and Access – which has saved tens of billions of dollars in printing, enclosing and pushing paper proxy packages to investors, many of whom mostly threw them in the trash.

We well recall that in the year before N&A took effect the AT&T proxy packages alone filled ten railroad cars with A-Rs and Proxy Statements. Then they were shipped to the mailing house, which needed to obtain and enclose a Proxy Card, an outgoing and postage-paid return envelope and usually a Chairman's letter before being metered and trucked to post offices around the country - with fingers tightly crossed for their complete and timely delivery. As we have been saying all along, this is the biggest and best "Push Model" ever invented.

But as we have also been saying - with increasing alarm of late - there are no really effective "Pull Models" that would allow potential voters to quickly and conveniently "close the marketing loop" and actually VOTE, as roughly 70% of all individual shareholders once did.

In the "Old Days" all an investor needed to do was to open the envelope, eyeball the materials quickly to see if the company was still in reasonable shape, check the boxes (where now there seem to be way more than ever to check) shove the card in the handy return envelope and plop it on the outgoing mail pile.

Today, however, a N&A recipient no longer has the needed tools in hand: He or she has to set aside some special time to go to and open their laptop – or an i-phone if they are tech-savvy - find and review the materials - and the voting issues at hand (which, by the way, have gotten lengthier, more

complex and more fought-over than ever) then search out the Voting Page, enter a control number (unless they are smart enough to be pre-registered on the voting site and/or recognizable by a QR code, which most voters are still not *able* or *willing* to enable – yet) then check the boxes before hitting the send button, which often comes back to you because you fat-fingered the keyboard or left something out along the way.

The "marketing loop," for those of you who may not be familiar with this term, is the process that needs to occur between being presented with a chance to "buy in" to something - and actually closing the sale. The more steps there are, the less buy-in there will be. And in the vast majority of cases, if the potential buyer puts the task aside until "later", the impulse will be lost and the marketing loop will never close.

A Radical Solution To Address The "Retail Voting Apathy Crisis"

We, of course, understand the need for full disclosure, but if we really want to encourage voters to vote, we need to make it easier, simpler - AND to treat shareholders like the adults they are!

Here's our RADICAL SOLUTION - and our ROADMAP:

1. **Get the SEC to allow you to enclose brief synopses of the proposals at hand, along with Management's recommendations, with the NOTICES themselves—and simply refer readers who want more detail to the full Proxy Statement.**


Shareholder Votes *Have Value*

PLEASE — DON'T LET YOUR VOTES GO TO WASTE!

The current method forces all e-voters—who now make up the vast majority of voters—to stop what they're doing, go to a computer (or maybe their tablet or smartphone), navigate to a voting site, locate and review the relevant materials, and then key in their choices. No wonder retail investor voting keeps dropping, year after year!

2. **Better Investor Education is Imperative! Ask the SEC for permission to enclose the educational booklet "Shareholder Votes Have Value" with the Notices themselves, where it will ride completely free of extra postage. We can't imagine why they'd refuse permission.**

3. **Allow investors to cast their votes immediately - using the Notice and the "summary" itself to call-in or mail-in their vote - or to go immediately to the voting site, using a QR code.**

4. **Get the SEC to let you enclose a postage-paid return envelope that investors can use to cast their votes by mail, then and there if they wish.**

In many cases, this is actually the fastest and easiest way to cast one's votes and to actually 'close the marketing loop.'—"Once and done," in minutes!

Turmoil In Proxy Land: Why It's More Important Than Ever To Have Truly Expert Outside Counsel On Your Team

In our 30+ years of deep involvement in shareholder meetings, proxy voting, proxy contests, shareholder activism, and corporate governance in general, we have NEVER seen an environment as volatile or as consequential as the one corporate issuers will face in 2026.

Consider just a few of the converging forces:

- **A major deregulatory shift at the SEC —** including no No-Action letters for the 2026 AGM season and a promise to review and maybe overhaul the entire SEC rulebook – a goal that has been seconded by the White House.
- **Intensifying challenges to precatory proposals,** likely driving more binding bylaw proposals and Vote-No campaigns aimed at selected Directors - unless issuers can negotiate satisfactory "peace deals"
- **Game changing developments on the Voting Advisory fronts** - with ISS and Glass Lewis cutting back sharply on the amount of recommending they'll issue unless paid to do so and mega-investor JPMorgan Chase abandoning outside voting advice altogether to use an A-I app developed in-house.
- **State-level campaigns encouraging issuers to change domiciles,** which seem to be gaining traction - promising reduced fees, reduced regulation, friendlier courts and extremely high proposal thresholds - But wow! A big risk, we say, where longstanding and well-tested legal precedents are concerned - where issuers can usually save a lot of time and money by relying on them.
- **A sharp increase in proxy contests** - with much more aggressive tactics and more insurgent wins with the so-called Universal Proxy Card - with many more to come, we guarantee.
- **A highly controversial vote-solicitation campaign at ExxonMobil** - which many other issuers are reportedly considering. Beware, we say, of bringing down wrath and retribution from institutional investors who are almost universally opposed.
- **A huge generational shift in shareholder demographics and behaviors** - as Gen Z exhibits a big interest in direct equity ownership... and prepares to inherit nearly $90 trillion in financial assets.
- **Very concerning, retail voting participation,** which is normally pro-management, is at an all-time historic low - well under 10% at many companies.
- **Even more concerning - deep and dangerous misunderstandings at the SEC** where the details of proxy voting are concerned. (See our sidebar on how bad this really is.) ***Meanwhile, the competitive landscape – and the "rankings" for legal advisors, and for proxy solicitors and advisors too - are shifting rapidly, with a host of newer, smaller and much more aggressive firms bypassing many of the former leaders at "old guard" firms. (See our update on the current Proxy Solicitor/Advisor universe in this issue.)***

If there was ever a moment when issuers need premier legal counsel, and superior strategic and PR advice — and where the key players need to demonstrate specialized leadership — that moment is now.

Turmoil In The Corporate Counsel Community

The Bloomberg Rankings Reveal Some Major Surprises – And Lots Of Surprisingly Missing Names On The Law Firm Side Of Proxy Fights… where, it should be noted, the lawyers are often instrumental in choosing the proxy solicitor… and some old-guard leaders are currently on a lot of "no fly lists" for caving without a fight to Trump demands for cash and pro-bono work as 'reparations.'

The top-three firms on the Activist side of proxy fights in 2025 are Olshan – with an amazing 80 fights, with $21.9b at stake; **Schulte Roth & Zabel** with 38 fights ($7.1b) and **White & Case** – up from number five last year – with 31 fights.

On the Corporate side, Sidley Austin (a firm one hardly noticed five or so years ago) **led the pack with 32 fights ($2.3b) - followed by Latham & Watkins with 20 ($2.76b)** and **Skadden Arps with 16 ($10.2b).**

The OPTIMIZER'S own brief summary of the leading law firms in dealing with Shareholder Activism should be a major wakeup call to public companies:

Many of the former lead-steers seem to have lost their mojo - and a lot of market share. Some of this is due to the many firms who have lost top leaders over the Trump efforts to punish firms that he perceives as "too woke" - and we know that many corporations have placed them on a "no fly list" for new assignments. But primarily, we say, the new landscape in lawyerland is because a 'new breed' of more aggressive law firms have left many of the stodgy old "white-shoe firms" in the dust.

We made a list of the 50 top law firms in the Governance, Activism and "Deal spaces" - and identified the top partners in each space at each firm, which was no simple task to accomplish. Many of their websites force visitors to peruse the entire list of partner and associate CVs to make an educated guess about who is really who at each firm, and where they are located.

We tried to get at least ten of our top-fifty to sign up for our "Directory of Pre-Vetted Service Suppliers" – with no luck. But readers, if you are really interested in exploring the idea of making changes in, or making carefully selected additions to your outside counsel teams, please reach out and we can help you narrow the field down considerably. *cthagberg@cthagbergllc.com phagberg@cthagbergllc.com*

Turmoil - And A Scary Amount Of Cluelessness - At The Sec

Senior members of the SEC seem to be hell-bent on a mission to totally demolish the regulatory framework that has been evolving since the Great Depression:

As we noted in our last issue, Chairman Paul Atkins is laboring under the incredibly ill-informed idea that the failure of the number of publicly-traded companies to grow is due to too much regulation. What sensible entrepreneur, we ask again, would ever pass up a multi-million dollar IPO payday because he'd have to hire a few more lawyers and accountants? Totally absurd! All he needs to do is a tiny bit of math to see that as fast as companies go public, which they continue to do at a rapid rate, more than half go broke in five years or less - while the successful ones get snapped up by bigger companies in a trice - exactly as the founders had been hoping for all along.

Next came one of the Deputy heads of Corp-Fin - who opined out of nowhere and based on nothing - on whether institutional investors had a fiduciary duty to vote their shares. "Sometimes" he says, they may not need to vote. What times may these be, we'd ask. The only time we've ever seen professional investors (and sometimes corporate insiders too) *intentionally* failing to vote, is if they're trying to prevent a quorum, in the hope that the positions they favor, which are losing in the runup to the meeting, might be able to squeak out a victory.

If an investor can't make up his or her mind on how to vote, they can - and should - simply check the ABSTAIN box. (This is what the SEC invented it for, back in the late 1960s or so.) Very important for a wannabe proxy voting regulator to know, the Abstain box sends a clear message of its own - both to management and to a shareholder proponent if there is one: Neither side has made a convincing case for its position. Sometimes, although there is no way to tell and no need to know, rather than being pro or con, the voter simply has no interest whatsoever in the issue at all as it has been presented.

Most recently comes the January 26th remarks of Commissioner Mark Uyeda, at the 53rd Annual Securities Regulation Institute, headed "Enhancing the Public Company Disclosure Framework" This guy doesn't even seem to know English, where "enhancing" means to "intensify, increase, or further improve the quality, value, or extent of" something. But no, Uyeda is hell-bent on shortening, cutting and gutting the SEC Rulebook.

"Simplifications could also be made to Item 201 for disclosures of the number of security holders and performance graphs." Hello, we say…What is so burdensome, or so wrong with reporting how many security holders there are? Actually, every company should want to know the answer here - and it sure gives the average investor a decent idea of how many like-minded investors there *are*. But current SEC regs require only a count of registered holders - which is a virtually meaningless number these days. The best and wisest companies break down and give the real numbers, which should become a *requirement.*

Then, Uyeda goes on to the dumbest and most clueless statement yet: ***"Perhaps we could delete the five-year graph of the issuer's total cumulative return compared to a broad index and a line-of-business or peer group index under subparagraph (e). Given the wide availability of evaluative tools on the internet and mobile devices, do investors continue to need such disclosure?"*** YES they DO, Uyeda: This is the first thing individual investors should look at when deciding whether - and HOW to vote their Proxies. I***f you really want to simplify - and "enhance" the disclosure framework - and motivate investors to cast their votes - require that it be placed prominently - and way upfront in the Proxy Statement - and ideally, right before the Management Letter, which forces the drafters to address any issues here.***

Lastly, Uyeda notes that "Smaller public companies make significant contributions to the financial markets and the economy more broadly. For context, 50% of all registered equity offerings during the 12-month period ended June 30, 2025 were done by smaller public companies. Some of these investments may provide higher growth opportunities for investors. As such, we should take care to see that our regulations are not disproportionately burdensome on small businesses." YES, Uyeda - but NOT at the expense of Investor Protection.

Here are some FACTS to chew on from the BLS:

- **The failure rate for new startups is currently 90%. (This counts small businesses as well as IPOs)**
- **10% of new businesses don't survive the first year. (Ditto)**
- **First-time startup founders have a success rate of 18%.**
- **Investors predict similar [success and] failure rates for AI startups**
- **34% of small businesses that fail lack the proper product-market fit.**
- **22% of startups that fail don't have a sound marketing strategy.**
- **Approximately 30% of startups with venture backing end up failing.**
- **Around 75% of all fintech startups crash within two decades.**
- **Startups in the technology industry have the highest failure rate in the United States.**

2025 Was The 90th Anniversary Of The Proxy Solicitation Business: *A Quick Look At The "Highlights And Lowlights" And A Closer Look At Where It Stands Today*

It's been 90 years since the Nye family turned its brokerage business, Georgeson & Co., into a "proxy-chasing business" in 1935 – a time when individual investments in stocks had become very big business and voted proxies were very much in demand at Shareholder Meetings since this was long before Mutual Funds and other big investment funds ended up owning the vast majority of the shares outstanding at most companies.It's really worth a quick visit to our earlier article on The Long and Sometimes Checkered Past of the Proxy Solicitation Business to see how much has changed – and how much has stayed the same, mostly for better but sometimes worse at many players.

Georgeson is still here, albeit after changing ownership multiple times over the years, and not nearly the megalith it once was. A few of the firms mentioned have bitten the dust - or nearly so. But, notably, quite a few of the firms mentioned back then have gained significant market share - since, as noted, this is still very much a "people business" – which needs *creative, highly entrepreneurial and charismatic leadership* to really stand out from the pack – AND a smart, savvy, cohesive and *experienced team* as well. We still chuckle to ourselves that not so long ago Georgeson's then leaders blithely riffed a guy who quickly founded Okapi Partners - which has since passed them up by a country mile in the high-stakes high-margin proxy fight business.

Bloomberg's 2025 Global Advisory Rankings reports that **Okapi** handled 25 proxy fights on the "Activist side" in 2025, with $15.9b in play – plus another 26 fights on the Company-side, where Okapi is especially adept at working either side of the street and where many of the old-guard firms actually bragged about turning down activists for many years.

Saratoga Partners, a relatively small firm, but run by very long-term proxy-fighting experts, logged 25 fights, with $2.0 b in play and yet another smallish firm, **Investorcom,** run by a former Don Carter star-pupil came in third, with 12 fights.

On the Company side, **Sodali** logged 67 fights globally with $28.9b in play, followed by **Innisfree** with 48 fights ($20.8 in play), while **DF King** logged 45 and **Mackenzie Partners** 31. We hasten to add that the rankings tend to vary a bit each year, given the 'randomness' of proxy fights that break out in any given year.

On the overall proxy solicitation front, we'd note that DF King still has, we think, the richest book of long-term clients and that Alliance Advisors has been the steadiest gainer of new clients over the past five or more years.

A special shout out to our friends at Laurel Hill Advisory Group, which was "quoted and noted by The Globe and Mail as Canada's dominant shareholder communications and advisor firm, growing from 32% market share in 2020 to 42% market share in 2025 year to date"…while **Kingsdale** has dropped precipitously to 25% - showing how suddenly the tide can turn in this business. (**Georgeson**, the dominant leader in Canada for many decades had to leave the market entirely several years ago, when it was caught red-handed, manufacturing telephone votes that totally rigged a proxy contest there, forcing a re-do of the Meeting.)

We also want to give a shout-out to a relatively new arrival on the proxy solicitation scene - Lioness Consulting LLC – founded in 2024 by Donna Ackerly – a widely-known and highly regarded professional with over 40 years of experience in annual and special shareholder meetings, corporate actions, proxy fights and SPACs. We love the name – which aptly describes Donna's history as someone who knows how to care for, protect and fiercely defend the best interests of her clients and we wish her and her firm every success.

A Big Decline In Dirty Tricks At Proxy Firms These Days – But There's Still A Need To Hire Proxy Solicitors Who *Understand - And Play By The Rules* – And Truly Independent Inspectors Of Election Who Know The Rules, And Will Enforce Them

Sad to say, the keen desire to WIN still, sometimes wins - or tries to win - regardless of "fair play" and the often misunderstood "rules of proxy" that are mostly found in case law. We were expert witnesses in a case this year where the issuer and its solicitor contended that votes that were cast for directors – before entirely new proxies, with three additional candidates were issued, in accordance with a Court Order – should nonetheless be counted as valid!!. On the whole, tactics like these are rare these days and almost always revealed and remedied in the end – especially where the Inspector of Elections knows how to do the job properly – and does it.

Our long-time advice for choosing a Proxy Solicitor - and a law firm too - is still very much on the money, we say: It's the specific PEOPLE who will be working on your company's deal - and the CHEMISTRY - that count in the end.

On The Transfer Agency Scene - Beware Of Bargain-Basement Fee Offers – And Dubious Claims Of Technological Breakthroughs:

The transfer agency scene has been unusually quiet over the past five years, largely, we think because TA activities – and importance – have continued to shrink and because there are so few reliable players left to choose from – with a major gap between the market share of the top-two and the two next largest players – then a very sharp falloff to mostly very small and very new entities.

But nature abhors a vacuum, as we've been regularly reminding. Reportedly, EQ – the number-two player - is up for sale, which typically sparks competitors into a frenzy of activities - and often sparks a run for the doors, so stay tuned here.

The biggest development we've been noting, however, is the rise of tiny new entrants – all of whom tout a "revolutionary new and modern system" (usually still "under construction" – and largely "vaporware" as we look for true breakthroughs - and who sell largely on bargain-basement pricing.

A recent LinkedIn posting from one such firm loudly touted "No More Signature Guarantees!" – which knocked us off our chairs. We called the founder – a nice guy, but totally clueless about basic transfer agency functions – to ask exactly how they would guard against fraudulent transfer requests, which are very much on the rise these days - and how their issuers would be protected against losses.

"We have insurance – including self-insurance – and issuers usually have insurance too" **he said.**

We urged him - and we'd urge all of you - to read our 2015 article Transfer Agent Liabilities: Under-Estimate Them At Your Peril | Optimizer Online It cites five cases where the issuer had to make good for several $80 million dollar+ losses and several others over $50 million.

And just a few months ago, one of the country's *largest TAs* acted on fraudulent instructions to issue new shares, sell them off and transfer funds to offshore banks - shortly after warning staffers in writing to verify all purported instructions from clients by making calls to the clients themselves! Fortunately for clients, the TA was able to get half the losses back and cover the remainder – a feat we're certain none of the newbies could pull off.

Beware Of Mini-Tender Scams From "Potemkin" That Continue To Rip-Off Retail Investors:

Another T-A shocker in mid-year, mini-tender offers are still being made by a firm called Potemkin Limited, which we warned about two years ago - and which has been hiding behind a "Potemkin Village" of "false fronts" - designed to impress casual lookers and make the firm appear legit - and protected by a totally unwarranted exemption from SEC Rules - and, we must note, by the cluelessness of some major transfer agents too.

The brother-in-law of your editor-in-chief got yet another Tender Offer from Potemkin, after a quiet period of two years, offering to buy his shares of Principal Financial at a 34.19% discount to current market prices. Potemkin's website sports a stock photo of a non-existent office in NYC, lists no owners of the firm, nor any officers or directors, and none for its "Depository" either. Their telephone systems tell callers that "all our agents are busy answering other calls" - and hang up. They are not a Registered Transfer Agent, although they are clearly performing T-A functions, and we must say that their 'offering materials' are masterfully designed and written to fleece the unwary. It continues to operate this scam, aided and abetted by an SEC rule that allows offerors of "small tender offers" to do so without any normally required SEC filings.

"How does this company continue to get away with this?" we asked the head of the Securities Transfer Association, whose own firm had turned over the files with names, addresses and current share-holdings of publicly held client companies. "What made you do so?... And what in the world led Principal - and many other companies too - to consent to such an egregious use of their shareholder records?" (Bro-in-law originally got 200 of Principal Financial shares when the company de-mutualized, which have grown to $271 through dividends reinvested - so not qualifying under longstanding SEC rules for "odd-lot buybacks" but instead, subject to this weird and unwarranted SEC exemption.)

"Delaware, and many other state laws require companies to make this information available at Annual Meeting time"* he said. But we strongly disagree: *"Handing over sensitive information like this to a third party can only be done if the requestor can cite a 'proper purpose' we said – "which this surely is NOT."

We also asked if ever occurred to anyone that the proposed transaction - to tender almost $23,000 worth of stock from the DRP to receive a mere $13,566 could have been done directly through the DRP that the aiding and abetting TA has in place - for a mere $15 or so. That, rather amazingly, never occurred to the T-A - or to the company. All of them have posted warnings on their websites but never pointed out the easy alternative to shareholders.

One of the first articles we ever wrote - which we have cited repeatedly since - is equally applicable to this case, we say, where we urged readers to *"Heed the judge in the landmark Badger v. Tandy case: 'A corporation should be cautious in handing around its record of missing [or, we say, potentially clueless] stockholders. When a stockholder does not know what shares he owns in what company or the value thereof, the circumstances are ripe for overreaching... A company has an interest in protecting its shareholders from abuse."*

Another *OPTIMIZER* warning in 2001 cited an article by attorney Gerald Tishler *"Corporations May be Liable for Releasing Shareholder Lists to Search Firms"* warning that a *"tracer's conduct "* [and, we say, the conduct of the scam tender offeror too] *"is attributable to the corporation by virtue of the actual or apparent authority which the corporation or its transfer agent grants to the tracer"... and the possibility of lawsuits for "deceptive practices" under the Federal Trade Commission Act...or rulings that the fees were "unconscionable...wholly out of proportion to the reasonable cost of the search performed". (Yes the three firms we knew of had posted warnings on their website - and the SEC does too - but what small shareholder would ever think to look there, before leaping???)*

***"Why do so many people even consider such a bad deal?"* we asked our brother-in-law.**

***"When you get three or four letters like this, sometimes at increasingly lower stock market prices, and warning you of impending deadlines, you think that something must be seriously wrong with the company. You feel panicky and think you'd better bail out as soon as you can,"* he said. And according to our STA source, other readers of the letter actually think that the "discount" being offered is somehow in their favor!**

We urged our good friend at the STA to petition the SEC to rescind its total unwarranted exception to the Tender Offer Rules ASAP – in accordance with its primary mission of assuring investor protection - and we promised to help with the petition itself.

Interestingly, the last part of attorney Tishler's letter bears on another, fairly common, and we think scandalous T-A practice – to offer clients a deep discount on TA fees if they let the agent offer a Direct Stock Purchase Plan with sky-high brokerage commissions and service fees for reinvesting dividends and selling shares: *"any sharing of tracer fees directly or indirectly with the transfer agent or the issuer raises serious questions concerning the fiduciary obligations of the corporation or its agent to its shareholders"* Tishler warns. (OPTIMIZER, January/February:2001) – and this, please note, in a time where services like these are widely available to individual investors entirely FREE of commissions and fees!

More On Protecting – And Properly *Projecting* Your Shareholder Records

We have a reader who invests directly in numerous companies of all sizes and who always asks to inspect the Shareholder Records at Annual Meeting time. He called-out one Transfer Agent, which we will allow to remain nameless for now, for flatly refusing to include the Cede account on the list, where Cede typically holds 90% or more of all Registered shareholder positions – AND WORSE YET - for failing to sign and certify the list as being "complete and correct as of the record date" as transfer agents have done since time immemorial.

Why are they doing this, we ask? Is it to prevent attention to what small a portion of the shares outstanding the individual shareholder actually are?

Or is it because the records are NOT in-proof as required?

Issuers need to check up – and speak up here: This procedure is a critically important "internal control measure" – that serves to alert the management at TAs – and at issuers too - if their records are NOT in proof.

As "A-I Layoffs" – And "Strategic Re-Shufflings" - Sweep Away Millions Of Jobs - Our Tips On How To Keep Your's Safe

1. **Our top tip is to assure that you are one of the top two or three people in the "client-facing space" at your company. If you are with a public company, your "top clients" – roughly in order of importance – are the C-Suite officers – followed closely by the Directors – and then, by the top voting-decision makers at your company's major investors. If you are on the front lines here – and if you are respected and well-liked by all of the top dogs - your job is essentially bullet-proof, although you always need to be aware of the tendency of any "new brooms" to want to "sweep clean" of perceived "old guarders" – like maybe you.**

2. **If you are a service *supplier* to publicly traded companies, the advice in item 1 is essentially the same: If you are reasonably well-known and well-liked by the C-suite officers and their lead-reports – and ideally by the Directors who are most engaged with investor relations matters – you are pretty much safe from firing by your own management team – assuming, that is, that they are on top of things here, But sometimes, please note, they are not… unless you make sure they're fully aware of your importance with the outside world.**

3. **To be really safe, you need (i) to keep up your game – and (ii) to make sure your bosses know you're doing it. Here, it is very important to be active in the top industry organizations that cover your own span of control – like the ABA, ACCA, the Society for Corporate Governance, NIRI – and the very 'practically-oriented' Shareholder Services Association. If you're smart, you will work to rise to leadership positions in these groups, as an added bit of "fire-prevention."**

4. **You need, of course, to be sure your own leaders are aware of the importance of your role – AND of developments they need to be aware of. So stay alert to important publications from these groups – and by others (like CCR, some of the LinkedIn Groups – and the *OPTIMIZER*) and be sure to look for ways to get important info and insights into board and senior staff meetings in a diplomatic, brisk and not over-frequent or over-pushy way.**

5. **Be proactive about budgetary matters – and about finding new and better ways to do things that will bring you a bit of fame - and especially - to save money. Work hard on this with all your key service suppliers. Don't wait until mandatory across-the-board budget cuts that might put you and your team in the spotlight are handed down from above.**

6. **Especially important, make sure that you are A-I literate and that you and your team are using it regularly - and effectively.**

7. **Sad to say this, but many companies these days seem to make their numbers by going down the list of officers in descending dollar-order and abruptly "riffing" the people that seem old, highly-paid - and "most expendable" - facts be damned. Should this happen to you, consider yourself to be well-rid of folks like these, leave gracefully, and revert to tips 1 through 6.**

Getting Your Message Across to Investors

Here's one from the *OPTIMIZER* archives that is still highly applicable today:

The Shareholder Service *OPTIMIZER*'s Top Ten Tips

1. **DECIDE ON THE OVERRIDING MESSAGE you need to convey—and how each subordinate message supports it.**
   Most of the time—whether you're preparing for investor meetings or a 200+ page proxy statement—the core message is surprisingly simple:

   "We are good people, good corporate citizens, and responsible stewards of your money. We deserve your support on the matters before you, and your thoughts and reactions matter to us."

2. **KNOW YOUR AUDIENCE for the specific message you're delivering—and their "hot buttons."**
   This is the number-one rule of effective communication, yet it's often ignored. Sometimes people don't do the homework; sometimes they default to corporate-speak or legalese; sometimes messages are so over-vetted and rehearsed that all the life is squeezed out of them.

3. **GRAB ATTENTION.**

   Easier said than done—especially when your message lives inside a proxy statement—but it's the single biggest challenge. Throw out the old template and design a document that actually attracts—and deserves—attention.

4. **MAKE IT PERSONAL.**

   The more you can turn your message into a dialogue rather than a monologue, the more effective it will be. What once seemed impossible is now easy: personalized emails, videos, written materials for specific ownership sub-sets, plus reminders and thank-yous. Customization beats one-size-fits-all every time—and it's cost-effective.

5. **CUT TO THE CHASE.**

   Put your main messages right up front. Yet another reason to abandon the old proxy template and lead with what really matters.

6. **WORK HARD ON CLARITY.**

   Start from scratch and build around the overriding message—not the numerical order of proxy rules. Use short sentences and plain English. Avoid jargon and legalese. Write as if you're speaking to a regular person. Hire strong headline and sound-bite writers. Push minutiae to the back—and avoid it altogether in live conversations.

7. **BE CONSISTENT.**

   Consistency matters enormously to investors. Make sure everything you say and do aligns with your overriding message and the image you want to project. Communicate regularly—in good times and bad.

8. **USE STRONG VISUALS.**

   Good visuals attract and hold attention better than words alone. They help carry your audience to the goal line and dramatically improve message retention.

9. **LISTEN. OBSERVE. REACT. REFINE.**

   A frequent investor complaint: "They come to visit us and do all the talking." Ask what investors think. Pay attention when messages aren't landing. Test-market written and in-person communications, listen carefully, observe reactions, and refine accordingly.

10. **HOLD ATTENTION.**

    A huge challenge when messages are complex and audiences are busy. Lead with your key points. Use brevity, headlines, subheads, sound bites, charts, graphs, and strong visuals. Ask for action early. Keep reminding readers why you're writing—and relegate the trivia to appendices.

Take Our Proxy-Contest "Contest"

How Well Do You Really Know the Rules of Proxy Voting?

Proxy contests often turn on tiny technical details—details that can decide an election, swing control of a board, or change the outcome by millions of votes. So before you assume you know "the rules of proxy," take this quick quiz and see how you'd do in the heat of a real contest.

1. A proxy is made out to John Doe, custodian for Joe Doe, a minor. The vote is challenged because it is signed by Joe. **Is this vote valid or invalid?**

2. The Inspector rules the vote invalid—but the opposing side checks the shareholder register and sees the account has been open for more than 21 years, meaning Joe is clearly not a minor. **Is the vote valid now?**

3. A very large proxy is faxed to the meeting site before the polls close, changing the outcome from a company loss to a solid win. The challenger argues it's invalid because only the front of the proxy card was faxed. **Valid or invalid?**

4. "These proxies are no good," says the challenger, holding a large stack of cards where only one of two joint tenants signed. **Are these proxies invalid?**

5. "And look here," the challenger adds. "The card clearly states that both tenants must sign." **Does this language settle the issue?**

6. A proxy made out to Nancy Smith is signed "Nancy S. Feelgood." The losing side protests: "This is obviously invalid." **Are they right?**

Answers:

1. **Invalid.**

2. **Still invalid.** Inspectors must confine their review to the "four corners" of the proxy and may not consider extrinsic evidence, except in limited circumstances.

3. **Invalid.** Court precedent and most state business codes require a fax or photocopy to be a complete copy of the proxy.

4. **Valid.**

5. **No.** The two-signature language is not required by law and does not override proxy-validity standards.

6. **Valid.** If an Inspector can reasonably assume the signature reflects a name change (such as marriage), the vote should be counted. Where ambiguity exists, Inspectors are instructed to favor validity.

A TRIBUTE TO ELLEN PHILIP AND CAL DONLY OF ELLEN PHILIP ASSOCIATES

Ellen Philip, who with her life and business partner **Cal Donly** founded what was for over 40 years a major data-processing company, servicing issuers, and the Shareholder Servicing Industry, passed away in 2025 – Cal in October at 90 and Ellen on December 26th at the age of 86. Cal is survived by two brothers in South Africa, where he was born, and Ellen by her son and a much-beloved granddaughter who live in Japan, a sister and numerous cousins.

Ellen, who was always so modest, unassuming, soft-spoken, gentle and generous was a real giant as a person: She was one of the first woman computer programmers - in Paris! She was one of the very first women to join the Securities Transfer Association - and the Shareholder Services Association – where she sponsored and welcomed and mentored new members throughout her long career.

As a businessperson, her word, her bond and her dedication to clients - and Cal's too - who was a quiet but indispensable part of the team - were beyond compare: When they told you how and when a job would be done, and what it would cost, you could literally take it to the bank. For well over 40 years they worked quietly in the background as the data-processing partner and problem-solver of choice with many public companies and nearly every transfer agent, proxy solicitor, and "Plan Sponsor" in the employee benefits recordkeeping world. Their specialty was to take computerized - and sometimes paper files from numerous service providers, such as issuers, transfer agents and sponsors of various Employee Ownership Plans, convert them to a common language and merge them in order to produce, mail and often process proxies, exchange and tender offers and other extremely time-sensitive matters – all of which had to be done to perfection.

Ellen, as all her friends and customers knew, was a passionate animal lover. Over her career she had two rabbits (one at a time) who lived in the office in a spacious penned-in area - and every night, before going home, Ellen and Cal would enjoy a cocktail while Ellen hand fed lettuce and parsley as goodnight treats. At home, she always had an assortment of long-lived birds – two canaries and a parrot that was well over 65 – and in her later years a one-legged finch that someone had found in a garbage can and entrusted to Ellen for a long and successful rehabilitation.

Both Ellen and Cal knew a lot about "Branding" too: The rabbits were featured in their advertising as an eyecatching reminder that they could always "Pull a Rabbit Out of a Hat" when clients were confronted with seemingly impossible data-processing challenges.

Their beautiful office spaces – first on lower Broadway and later in Chelsea – were a big part of their branding as well: filled with light from big windows, specimen plants and original artworks everywhere, nice office furniture and always a spacious and comfortable seating area with a mini-bar for clients and drop-in guests and

for an end-of-day nightcap - and a neat clean spot for the rabbit. Never any clutter or excitement, no matter how many jobs were underway. The moment you walked off the elevator – greeted by a tank of multi-colored fish swimming among thriving water-plants – you knew you were in good hands.

For well over ten years their annual Holiday Party was a must-attend event for clients and friends. Unlike most such events that were limited to the top managers, they would invite the entire staff of the many departments they worked with. They would clear out most of the desks, chairs and office equipment to make room for a big spread of food, a top-shelf bar, a small live band – and 300-500 people who would flow through their always beautiful office spaces.

Around 1994, when their party became too large to manage, they decided to turn it into "A Party With A Purpose" to benefit Fountain House, a non-profit that originated the "Club House Model for Community Mental Health" in 1948 as a facility to give people with Serious Mental Illnesses (SMIs) a safe place to be, to find a welcoming community and a support system, including a "Work-Ordered-Day" that helps Members to return to the mainstream of life.

Ellen and Cal would turn their office space into an Art Gallery for an evening - to showcase and sell the works of Fountain House Gallery Artists who eagerly looked forward to this event all year long, and to the opportunity to interact with the guests and prospective art-buyers. To attend, you'd need to buy a ticket – and they also got numerous customers to serve as co-sponsors to the event - that would also honor a special Industry person each year. Otherwise, same beautiful venue – fine food, drink and entertainment, beautiful flower arrangements made by Fountain House Members and one of the year's biggest and best networking events – all for a good cause. One of the highlights of the evening was a drawing – good for any artwork still unsold – that Ellen & Cal also covered, without regard to the sales price.

Over the eleven years this was a stand-alone event, about 1.3 million dollars was raised to support the Gallery, and a studio for the artists, and many thousands of dollars in art sales went to Fountain Gallery artists.

We encourage readers who knew them to consider contributing to Fountainhouse - earmarked for a scholarship fund to further Gallery Member art studies in memory of Ellen and Cal.

PEOPLE:

Much strategic re-shuffling and a few noteworthy retirements in an industry where experience and know-how are very much at a premium these days…

Kevin Brennan, one of the finest and nicest people in the Stock Transfer field and an EVP at **Computershare**, retired at the end of January to spend more time with his five grandkids and work on his golf game - after a long and distinguished career.

John Buonomo has been appointed as Vice President of Transfer Agency Operations at **Broadridge**. "With 35 years of experience at organizations including **American Stock Transfer & Trust Company**, John brings deep expertise across every facet of stock transfer operations. He'll lead ongoing efforts to strengthen partnerships and enhance the client experience." John is a true transfer agency pro on every front – a rare thing to find these days. A great "get" for them.

Jim Diaforli, who has been a widely recognized and welcomed **"face of Broadridge"** for over 20 years, recently posted a bold new career plan on LinkedIn: "After taking a four month pause to recharge and determine what I wanted my next chapter to be, I am excited to announce the LLC" – **Jim Diaforli - Strategic Sales Leadership and Consulting LLC** - "dedicated exclusively to Strategic Sales Leadership Coaching for both current and aspiring sales leaders. My approach stands apart by leveraging proven strategies from both the business and sports worlds, equipping you with actionable frameworks to inspire and empower your teams and/or yourself. I am committed to not only highlighting the crucial differences between managing and leading but also providing practical, purposeful methods to assist you in becoming a more effective sales leader."

We are certain that many companies would benefit immensely from Jim's 40 years of experience as a leader, salesperson, coach and mentor. Here's his new contact info: jimdiaforli@gmail.com or call 201-232-7719.

Equiniti - better known these days as **EQ** – has recruited a very well-known and well-seasoned expert **Nick Nichols** as its new Executive Vice President of Mutual Funds. "With over 30 years of experience in financial services, Nick brings exceptional leadership and deep industry expertise to drive innovation and deliver outstanding value for our clients… as we continue to strengthen EQ's mutual fund capabilities and shape the future of fund services." Another "great get."

Gordon Stevenson, another very well-known figure on the transfer agency scene, will retire at year-end from a 44-year career in the securities industry - with the last 14 ½ years on the **Broadridge** salesforce – to spend more time with his six grandchildren. Three cheers for *that!*

Two retirements by Inspectors of Elections at CTHagberg LLC – and a welcome and highly-qualified newcomer:

Deborah Baker, who has been a truly superb member of the IOE Team for 15 years and who, prior to that, was the Executive Director of Ethics and Compliance at **Bell South,** has retired, to spend more time with family. Deb holds the team record for the most weird and complicated Meetings, which she always handled calmly, cooly, and to perfection.

Jim Gaughan, Esq. another of our busiest and best IOEs is resigning as a CTHLLC Inspector for a very special and noteworthy reason: *"after 16 years and 278 meetings with you and the great group of associates you have assembled...my mediation and arbitration practice has grown exponentially"* [no surprise to US] *"so demands on my time require me to rebalance my work schedule."* A former officer in the Corporate Secretary's offices at two Fortune 500 companies, Jim is the consummate professional. He and

Deb are the very models of what an IOE should know – and practice.**Happily, we have added an equally seasoned and talented professional to our Team – Katherine Smith,** formerly in the Corporate Secretary's Offices at **Allstate Insurance and Exelon. Another consummate professional, for sure.**

CTHagberg LLC is always looking for people like these three - to support our continued growth and to deal with normal retirements. If you know anyone like them - who have 'retired' - or maybe have 'been retired' - or maybe you're one yourself - please reach out to either Carl or Peder Hagberg. We look for seasoned people who are comfortable with "C-Suite people" - who are friendly, detail-oriented, comfortable with math and capable of standing up confidently under questioning. Experience with Shareholder Meetings is a plus, but not a requirement, since we provide extensive training, mentoring and 24/7 support from our four Partners whenever "issues" arise.

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Visit The *OPTIMIZER*'s Index Of Pre-Vetted Service Suppliers!

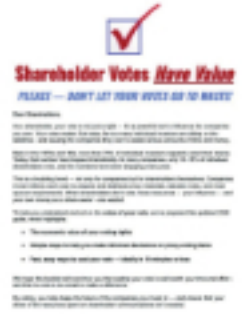
Each category begins with a brief overview of the product or service and the competitive landscape, along with guidance from *The OPTIMIZER* on what to look for in a service provider. All suppliers included in our index have been pre-vetted and approved by *The OPTIMIZER* for quality of service.

Shareholder Votes Have Value!

A RADICAL SOLUTION TO ADDRESS THE "RETAIL VOTING APATHY CRISIS"

Announcing our educational and motivational booklet, "Shareholder Votes Have Value…Do Not Let Your Votes Go to Waste!" With retail voting at all-time lows, even as more proxy proposals are being decided by razor-thin margins, this easy-to-read booklet addresses the top three factors that hinder most individual investors:

- **Lack of Understanding:** Many investors are unaware of the importance and intricacies of the proxy voting process.
- **Perceived Effort:** Some believe that the time and effort required to vote are "not worth it."
- **Small Holdings, No Impact:** There's a common misconception that their often smallish holdings are "too small to matter."



Our 4.25" x 5.5" booklet (a single sheet folded in half) is cost-effective to produce and mail. The text can and should be posted on your Voting Site and Investor Page for online voters.

Our "Shareholder Votes Have Value" booklet can be customized with your Company logo and branding.Please contact us to get started in time for the 2026 Proxy Season on this cost-effective initiative to improve retail shareholder voting results.

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