

LIFE AFTER COVID-19



THE 26TH SPECIAL SUPPLEMENT TO THE SHAREHOLDER SERVICE **OPTIMIZER**

COPYRIGHT FEBRUARY 2021

Life After COVID-19



Dear readers;

2020 will be forever engraved in our memories as one of the most disruptive, and truly frightening years in modern history... And as we write this, the pandemic continues - although, clearly, much better days are ahead of us, once we can ramp up and roll out a successful mass-vaccination program.

The impacts on publicly-traded companies have been profound: And yes, while we expect to see continued restructurings, store-closings, staff and budget reductions, bankruptcies, an upsurge in mergers - and very likely, in unfriendly attempts to sweep up public companies on the cheap - there is light at the end of this long dark tunnel: Many of the best-in-class companies have successfully pivoted to a "virtual work environment" - generating big efficiencies in the process. Employees have been reaping benefits too, by reducing or eliminating commuting time and replacing it with more and better family-time, although, let's note, stress levels are still running very high.

The impacts on most of the key suppliers of services to public companies have also been profound: Most important to note, we think, is how the COVID pandemic has drawn additional attention to social and environmental issues - which has led to a major 'raising of the bars' in terms of things that investors of every size and description are calling on public companies - and their suppliers - to do.

Meanwhile, however, many of our own oldest and formerly largest advertisers seem to be suffering major budgetary shortfalls. Many of them seem unsure of how to best navigate the rocky road that's still ahead. But the American model still endures: The best-in-class will continue to invest - and grow - while others will stumble and fall by the wayside. And, as we always see with troubled marketplaces, and as we are seeing this year in the truly-troubled transfer agency and proxy solicitation businesses, new entrants will arise, with new and better and more cost-effective business models.

There is a lot of valuable content in this issue - much of it contributed by "best in class" practitioners and service providers, and there is a lot of breaking news - and helpful analysis on the investor relations scene here - along with our continued, major focus on VSMs - the biggest challenge of the year for many of our readers.

We hope you will use this issue, and our Directory of Pre-Vetted Service Suppliers as your go-to resource - and that all of you will continue to search out and adopt best practices - and best-in-class service providers to help you get there.

With all our best wishes for 2021 - and beyond...

Carl & Peder Hagberg

PREPARING FOR LIFE AFTER COVID-19: OUR WORLD WILL NEVER BE THE SAME AGAIN

- 5 THOUGHTS ON 2021 FROM SOME OF THE SMARTEST PEOPLE WE KNOW
 - 10 VIRTUAL? LET'S GET REAL: WHAT WORKED, WHAT COULD WORK BETTER, AND WHAT'S NEXT IN 2021
Cathy Conlon, Broadridge Issuer Services
 - 12 MONITORING, ALERTING & REMEDIATING BUSINESS RISK...FOR MORE THAN 120 YEARS
An Interview with Jennifer Kenton of CSC
 - 14 PREPARING FOR 2021 PROXY SEASON
Ron Schneider of Donnelley Financial Solutions (DFIN)
 - 17 PRACTICAL ADVICE TO MAXIMIZE EMPLOYEE PLAN VOTING
An Interview with Ellen Philip and Kathy Witman of Ellen Philip Associates
 - 19 NOTHING GOOD COMES FROM ESCHEAT
Advice from Unclaimed Property expert Jennifer Borden, Borden Consulting Group
 - 23 HOW CORPORATE SECRETARIES CAN HELP BOARDS SUCCESSFULLY ADD DIVERSITY TO THEIR RANKS
Cherie Sorokin and Kris Veaco of Veaco Group
 - 26 A SPECIAL SHOUT-OUT TO WOMEN-OWNED AND WOMEN-MANAGED COMPANIES
- ### NEWS FROM THE OPTIMIZER:
- 28 BIG INVESTORS RAISE THE BARS FOR VSMs BIG-TIME - OUR TOP TIPS ON PREPPING FOR A SMOOTH AND SEAMLESS VSM
 - 29 SEVERAL EASY TO FIX "BLOOPERS" IN THE 2020 Q&A PERIOD
 - 30 THE BIGGEST POTENTIAL BLOOPER OF ALL - LOST CONNECTIVITY AT YOUR VSM: HERE'S WHAT TO DO TO PREPARE
 - 31 A BIG VSM PLUS - IROs FINALLY GET A PRIME SEAT AT THE AGM TABLE
 - 31 INSPECTORS OF ELECTION: MORE IMPORTANT THAN EVER WITH VSMs
 - 32 A WARNING - AND ADVICE ON THE HUGE INCREASE IN INDIVIDUAL INVESTORS - AND THE POTENTIALLY BUDGET-BUSTING IMPACT OF "THE ROBINHOOD EFFECT"
 - 33 OUR TOP MONEY-SAVING TIPS AS YOU PLAN YOUR AGM
 - 34 MENTAL HEALTH: FAST BECOMING A TOP ESG ISSUE
 - 35 INDUSTRY NOTES: MANY MERGERS and A BOMBSHELL IN THE TRANSFER AGENT WORLD AS CSC ENTERS THE T-A BUSINESS...PLUS, TURMOIL IN PROXY LAND
 - 38 DO VSMs TURN A SHAREHOLDER MEETING INTO "A SHELL OF THE DELIBERATIVE CONVOCATION IT ONCE WAS"?
 - 42 The Optimizer's 2021 Directory of Pre-Vetted Service Suppliers

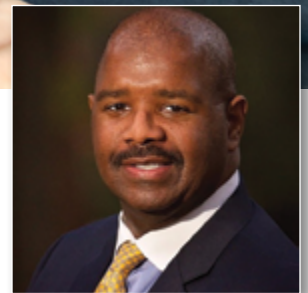
THOUGHTS ON 2021

*From Some Of The
Smartest People
We Know*

Stephen Brown

Senior Advisor | Board Leadership Center | KPMG LLP

Q. Stephen, do you think that 2021 will mark a turning point where Equity, Diversity and Inclusion and other ESG issues are concerned?



Yes, absolutely. I believe that 2020 was a catalyst for many issues that were already in the works over the past decade - and that the COVID pandemic, and the George Floyd tragedy, acted as major accelerators for many ESG issues - like racial reckoning. Corporate board members were very familiar with and very well-versed in all of the major ESG issues. But the slogan I have been using to describe the major difference I foresee in 2021 is “NO MORE MULLIGANS.”

BlackRock, State Street and Vanguard have been stepping up their efforts in a major way - and, in a very important development, BlackRock has officially recognized the efficacy of the NO-VOTE. So another thing I have been saying about 2021 is, “THERE WILL BE NO TOLERANCE FOR A TWO-STEP.” Some companies are still fairly new to all this. But most companies have made promises to investors - and to their employees too. They need to get up to speed. There will be a lot more follow-up from both quarters.

There’s another set of important developments taking place - the much greater involvement in ESG issues by so-called Millennials - and Gen-Z - and by employee activists - who are much more idealistic, better educated and more confident than ever. And here, social media has been a major accelerant. With the pandemic we could all see that we were weathering the same storm - but from two very different boats. We watched the George Floyd killing and the aftermath pretty much in real time. There is a lot of momentum for ESG issues now - and a much sharper focus on what you do, vs. what you say. Social media have a newly-keen focus on this. It will not go away.

One last thing I’d add: Benchmarking against peers it no longer the name of the game. When we speak to boards these days, one of my colleagues, professor George Serafein of Harvard says, “Who really wants to tie with competitors? You want to be the winner.” We do see the very best companies stepping up to the big challenges in 2021 and looking to be the leader - and the winner - where ESG is concerned.

Margaret (Peggy) Foran

Chief Governance Officer, Senior Vice President & Corporate Secretary at Prudential Financial

Q. First and foremost, Peggy, how have you and your family been riding out the COVID pandemic?

We are all working from home, so what used to seem like a large NYC place seems smaller now that we are here all the time. But we are grateful that we have the luxury to work from home and be safe!

So, 2021 will be all about ESG, - with emphasis on D&I and Climate. We are planning on releasing a Summary ESG Report on our website at the end of the first quarter that focuses on the information that many of our investors requested when we engaged with them this fall. This is in line with our stakeholder commitment and the specific commitments we made on D&I.

A few other predictions: I think our travel budgets will be reduced and many of our engagements, meetings and conferences will be remote. And much more hoteling with fewer of us having offices. I also suspect that there will be more activism next year.

Readers: Be sure to watch for Peggy's posting on Prudential's always leading-edge and always-best ESG practices.



Kai Haakon E. Liekefett

Partner and Co-Chair, Shareholder Activism Practice
Sidley Austin

with Derek Zaba

As we begin 2021, the pipeline of contested mergers and acquisitions (M&A) and shareholder activism remains robust. While 2020 as a whole had the same number of unsolicited and hostile approaches as the median of the past decade, the quarter-by-quarter story unfolds quite differently. The second quarter of 2020 saw the lowest number of approaches in a second quarter in the past decade due to the onset of COVID-19. However, this was balanced out by an explosion of approaches in the fourth quarter of 2020, the highest of any fourth quarter, and the third highest of any quarter, in the past decade. This is consistent with our experience in the second half of last year. We saw significant unsolicited activity behind the scenes in both quarters of the second half, some of which was revealed in the fourth quarter. There remains a healthy amount of unsolicited activity yet to be publicly revealed.

A similar theme emerges with respect to traditional shareholder activism, in which activists attempt to drive change at a public company but do not intend to acquire the target. The number of public activism campaigns announced in either the second or third quarters was the fewest in the past five years. However, publicly disclosed campaigns in the fourth quarter returned to a more normalized pre-COVID-19 pace. In addition, windows for shareholders to nominate directors have begun to open for calendar-year-end

issuers. Based on our early experience with director nominations, we expect an extremely busy proxy contest season for traditional shareholder activism.

To be prepared, a company should take the following essential steps:

- 1. Response Team:** Assemble a response team during peacetime to be on standby in the event of an attack.
- 2. Communications Plan:** Prepare a “break the glass” communications plan with “shelf” press releases and media statements.
- 3. Stock Surveillance:** Retain a stock watch service to monitor trading in the company’s stock to receive advance notice in the event an activist or hostile bidder builds a stake.
- 4. Investor Relations:** Screen meeting/call requests for activists.
- 5. Bylaw Review:** Ask experienced proxy fight counsel to review the company’s charter and bylaws to assess legal strengths and weaknesses.
- 6. Shelf Poison Pill:** Prepare an up-to-date, fully drafted “shelf” poison pill to enable the board to react quickly in the event an activist attacks.
- 7. Corporate Governance:** Analyze the company’s corporate governance from a proxy campaign standpoint.





Bob Marese

President, MacKenzie Partners, Inc.

2021 PROXY SEASON OUTLOOK

In the world of activism, we are anticipating a robust rebound in 2021 from the COVID-related lulls of 2020, with more proxy contests waged for control and minority representation on corporate boards. We also expect to see an uptick in the pace and number of deals. Whether we will see more hostile M&A activity still remains to be seen, but we certainly expect to see a strong pace of negotiated transactions throughout the year. The SPAC market should again remain robust, although there has been discussion of late around stricter regulation that may dampen the level of activity in the future.

ESG will continue to be an area of particular focus for issuers and investors alike. The new administration's executive orders give strong indication that climate related matters will be the focus of much of what the new government attempts to regulate and drive through policy and legislation. Corporate issuers will need to redouble their focus in this area, and other ESG matters as well, such as diversity, board tenure and corporate culture.

We expect virtual shareholder meetings to be the norm throughout this year and possibly beyond, and issuers and suppliers are working diligently to "up their games" for the 2021 meeting season, as investor scrutiny of VSMs is sure to be elevated. Investor conferences, non-deal roadshows and proxy season investor engagement, will all likely be conducted virtually for the near-term.

We also take special note of the rise of retail investing, not only because the voices of retail investors have resonated so loudly in the markets, but from the practical standpoint of developing voting projections and actually securing the required vote for the passage of management sponsored proposals. Many of the entities that cater to retail clients do not provide for discretionary voting. This can have a big impact on matters up for a vote by producing much lower quorums than in prior years. Also, a much bigger retail base can bring unexpected costs for distributing materials to beneficial holders. Our advice to issuers - gear up earlier than usual, and be sure you engage best-in-class service providers.

Anne Sheehan

Former Director of Corporate Governance for the California State Teachers' Retirement System (CalSTRS) and a past Chair of the SEC's Investor Advisory Committee.

Anne currently serves on the Board of L Brands, and is a Board Member of Cohn Robbins Holding Corp.



Q. Anne, do you think that 2021 is likely to be a "tipping point," or a "turning point," on the ESG front during this Shareholder Meeting season?

Anne: I think so - and I hope so. It was truly painful to watch what happened at the Capitol and to realize how far things have gone. The country needs healing. There are very serious issues dividing our country that need to be better understood, and resolved. There is a big and serious economic divide - and we need to better understand and address the underlying causes. When COVID first struck, many people seemed to think that ESG issues would go by the wayside. Managements and Boards made cash-preservation their very top priority. But as soon as things stabilized, Human Capital Management very quickly shot to the top of the list, and will be, I think, the very top set of issues in 2021. The old 'Comp Committee' is fast becoming the H-R Committee - to address things like diversity and inclusion - not just on boards, but throughout the company - pay gaps, and the way the entire workforce is treated. I think the SEC deserves a lot of credit here, for bringing these issues to the disclosure and governance forefront.

Continued →

The second really big issue I see for public companies in 2021 will be the conduct of Virtual Shareholder Meetings. Understandably, public companies got pretty much of a bye in 2020, but in 2021 they really will need to make their VSMs as close to being like an in-person experience as they possibly can. They shouldn't - and won't get a bye this year.

Q. Do you think that institutional investors will ramp up their scrutiny of proxy statements in 2021 - and rate companies on the efforts they cite to deliver a first-rate VSM? And do you think that they will direct staffers to listen in and rate the VSM itself, with best practices in mind...and to take action where there are shortcomings?

Yes, absolutely. And shareholders will take action - by getting Governance Committees to commit to the kinds of processes and procedures that investors are insisting on. Aside from the reputational risks there's legal liability for boards here too, I think.

The third big issue I see this proxy season is Executive Compensation - especially where there are instances of COVID-prompted 'adjustments' in executive pay that are out of line with returns to shareholders. There will be big blowbacks in such instances.

Q. Can we ask about one of our own favorite subjects, Mental Health, as an emerging Human Capital Management issue?

Yes, I think the COVID pandemic helped to bring the many issues here into much sharper focus. E&Y, and recently, Wachtell Lipton have been doing some very good work to shine a light on how important and how under-addressed a topic this is.

Q. Every year in our IOE business we witness a fairly large number of companies where the Say On Pay fails to pass - or, even more disturbing, when directors feel they have to resign before the Meeting because their Votes-Yes are so low. It makes us wonder about the quality of the staff work.

Actually, I always found the staff work to be quite thorough on these issues. The real issue is - Who's got the chutzpa to tell execs their pay is way too high - or that they are over-boarded.

Virtual? Let's Get Real.

VIRTUAL SHAREHOLDER MEETINGS IN 2020: WHAT WORKED, WHAT COULD WORK BETTER, AND WHAT'S NEXT.



By Cathy Conlon
*Head of Corporate Issuer Strategy
& Product Management*

The COVID-19 pandemic has reshaped how we work and interact. Zoom and WebEx meetings are now ubiquitous. Millions work remotely. And virtual conferences are commonplace.

So, it's no surprise the annual shareholder meeting is changing too.

Last year, more than 2000 corporate issuers held virtual shareholder meetings (VSMs) entirely remotely—with thousands of investors participating from myriad locations. Most events went off without a hitch and many issuers now believe VSMs will be their preference moving forward.

So, let's talk about what worked this year and what didn't—and why VSMs are here to stay.

WHAT WORKED?

The transition was easier than most expected.

Logging into an online meeting has become so habitual we barely think about it. So, when asked to log into a virtual shareholder meeting, most investors didn't blink.

The transition was made even easier because a proven infrastructure was already in place. Broadridge pioneered the first commercial technology and has hosted VSMs since 2009. With more than a decade of experience, we had the capacity to onboard hundreds of new clients (well beyond our original planned capacity of 400 for 2020).

Participants said VSMs are more engaging.

In general, VSMs drive higher participation because shareholders don't need to travel. So, right away

Not only do issuers have more time now to strategize and plan communications, but the virtual format is freeing up resources for issuers to pursue alternatives.

VSMs create an opportunity for a more energetic and richer meeting experience.

Data from 100+ qualitative interviews confirms that most shareholders found the experience productive and rewarding. This is because the platform makes it easy for issuers to organize and address shareholder questions. Management enjoys full visibility into the questions asked before the meeting and in real time. Investors, for their part, said they appreciated the simplicity of the Q&A format and took full advantage of the opportunity to ask questions.

WHAT COULD WORK BETTER?

The time crunch made planning and execution difficult.

Especially in the spring, the COVID-19 pandemic put many issuers on their heels. Issuers had to shift in a hurry. And they did.

But the fast pace of change created a unique set of challenges. Executives and directors were not fully prepared. Many had never participated in an VSM before. And event organizers themselves weren't sure what to expect.

The good news is that even with some minor hiccups, the events were still highly successful. And now stakeholders know exactly what to expect.

In addition, Broadridge is making it much easier for issuers to test the platform and conduct dress rehearsals. Recent meetings are going much smoother now that organizers have time to facilitate a dry run with the executive team.

There were communication challenges.

Partly owing to the time crunch, issuers were scrambling to notify investors of the format change. Some felt they could have done a better job setting expectations for investors and explaining how to participate.

That all changes this year.

Not only do issuers have more time now to strategize and plan communications, but the virtual format is freeing up resources for issuers to pursue alternatives. For example, more issuers are complementing the VSM with an enhanced digital proxy experience.

Using the Broadridge digital proxy platform, issuers can more effectively tell their story, solidify brand loyalty and convey their values. Most importantly, the digital proxy experience helps investors transition seamlessly to the VSM experience.

WHAT'S NEXT?

It's clear the virtual shareholder meeting is here to stay. We expect more jurisdictions will permanently allow the fully virtual format. And we expect most companies will continue to organize virtual events. The improved engagement, transparency and convenience far outweigh any perceived downside.

Most importantly, the experience will only get better. Now we have feedback from 2000+ events, 100+ interviews and countless user surveys. And we're using that data to make enhancements that contemplate the needs of all stakeholders.

Here's what's improving.

Enhanced meeting management.

Issuers said they want more customization when it comes to presenting information during the event. So, we enhanced the platform to include a modular

roles-based organizer experience that lets users showcase documents, screenshares, videos, and speakers in whatever arrangement they prefer. This gives users more control over speakers, questions and the flow of the event.

Simpler navigation.

Now participants enjoy a truly intuitive experience with zero learning curve. In only one or two clicks shareholders can easily vote and ask questions during the meeting. At the same time, directors and management have a better view of who is speaking and can quickly respond when circumstances call for their participation.

Maximum transparency.

Although most participants said they were pleased with the level of engagement, we found an opportunity to improve the Q&A process even further. Our new approach enables issuers to more easily manage, organize and address shareholder questions. In addition, there are more options for issuers to tailor the Q&A experience for their meeting and their shareholders.

**In only one or two clicks
shareholders can easily vote and
ask questions during the meeting.**

GREAT MINDS THINK ALIGNED

When it comes to corporate governance and your annual shareholder meeting, we're mindful of the pressures you face. Technology shouldn't be one of them.

Our innovative, modular and customizable Virtual Shareholder Meeting platform gives you the tools you need to create the meeting you want. It's intuitive technology for interactive communication.



Broadridge®

It's a meeting of minds.

+1 844 364 4966 | broadridge.com/meetingofminds



MONITORING, ALERTING & REMEDIATING BUSINESS RISK FOR MORE THAN 120 YEARS



An Interview with Jennifer Kenton, EVP Customer Development & Marketing

Q: Jennifer, CSC uses the tagline “We are the business behind business.” Tell us about CSC and how the company has transformed since its founding 120 years ago.

CSC was founded in 1899 by two Delaware attorneys, Josiah Marvel and Christopher Ward, who saw an opportunity to simplify the way corporations were formed and operated, and especially, how they maintained their compliance with law. As a result of this work, CSC is recognized industry-wide as the first “registered agent.” And through the years, the dependability and value of CSC’s services helped establish Delaware as the legal home to thousands of major corporations. We’ve stayed true to our roots for more than 120 years, and we continue to be the premier brand name in the registered agent space.

CSC has steadily expanded its offerings beyond registered agent services, and as a privately owned business with founding family members still leading the company, CSC maintains the core values of service, teamwork, tenacity, and agility to meet the evolving needs of our customers. Wherever there’s a business challenge in the U.S. or around the world—and especially in 2020 during the COVID-19 pandemic—CSC is here to help customers with the tools and expertise needed to meet business challenges head-on.

Q: CSC has grown significantly through acquisitions over the last decade. What is your acquisition strategy?

Our company has grown exponentially and evolved tremendously over the last 120 years. In the past 10 years alone, we’ve doubled in size, made 13 strategic acquisitions, and successfully integrated these businesses into our company. This has expanded the CSC footprint to various locations throughout North America, Europe, Asia, and Australia, and extended

our service offerings for compliance, domain security and fraud protection, and global financial markets—along with software solutions that help companies manage tax-essential information.

We’ve augmented our business a great deal since 1899, but at our core, we are still a service company, and we’ve never lost sight of our founders’ goals: to make business easier and more profitable wherever it’s done. The technology and solutions we offer and how we provide them, are valuable to our customers. As our tagline indicates, CSC is the business behind business.

Q: What are your competitive advantages—and are there benefits to being privately held?

Being a privately-held company with dedicated and hands-on ownership is truly one of the key competitive advantages for CSC. There is an entrepreneurial spirit at our company that was ingrained by our founders and remains strong more than a century later. This allows us to enter new markets with agility and develop solutions to monitor, alert, and remediate risk for our customers. Our current owners are members of our founding families and they are committed to operating in the best long-term interest of our customers and employees instead of on the prospects of short-term gains.

Monitoring, alerting, and remediating business risk for customers is our job and we take these responsibilities very seriously. We’ve developed the tools and have the customer service teams in place to manage risk across all business lines, especially in the complex compliance and corporate governance space, where so much is on the line.

Today, CSC serves the world’s largest corporations, law firms, and financial institutions with the premier

range of solutions for every stage of the business cycle. CSC is the world's leading provider of business, legal, tax, and digital brand services to companies in hundreds of jurisdictions around the globe. From keeping your business in compliance and streamlining operations, to protecting and promoting your brand online, we use our expertise and personal approach to help your business run smoother.

Q: CSC hails itself as a service company. What is unique about your approach to customer service?

Our customer service motto is simple, but it's at the core of everything we do at CSC: "A customer is anyone who asks anything of you."

CSC is built on teams and we share a common thread of teamwork and accountability to deliver solutions that help businesses run smoother and smarter.

Q: What does CSC look for in new employees?

As they say, when you're the best, people notice. CSC is proud to be named one of Delaware's Top Workplaces for 14 consecutive years by Energage and The News Journal. Service, teamwork, tenacity, agility, and being genuine are core values at CSC, and we look for these qualities when making new hires.

Q: How has COVID-19 impacted CSC?

We're extremely proud of the leadership role we've taken to support our customers from the very onset of the pandemic, where many state offices were closed, or open sporadically, and where most of our clients were working from home. CSC was first to market with a legislative dashboard to explain policy changes in each jurisdiction related to registered agent services. Our industry-leading COVID-19 Resource Center on the CSC website continues to be a knowledge warehouse and is updated daily to help customers stay on top of state closures and changes to business license services, county updates and electronic recording service disruptions, remote online notarizations by state, economic resources for small businesses, the CARES Act, and state reopening plans.

CSC was deemed an essential business during COVID, and we have had zero lapse in service during the pandemic. We've acted as an extension of our customer's legal and compliance teams, and we continue to help them navigate important relationships within the jurisdictions.

CSC is built on teams and we share a common thread of teamwork and accountability to deliver solutions that help businesses run smoother and smarter.

Q: In addition to expansion into markets outside of the U.S., are there other key business areas that you're looking to expand into?

Yes, and we're excited to be sharing this news here in the Optimizer for the very first time. CSC is planning to enter the Transfer Agent (TA) business — at the request of many of our customers — meaning we'll be there at the very beginning as registered agent and go on to develop deep and long-lasting relationships as their businesses grow. We're interested in this growth opportunity through an acquisition or partnership, or by building it organically.

We consider the Transfer Agency business to be under-served — but also, and very important to note — to be a natural extension of the current compliance work we're already doing with companies both big and small. Our teams work closely with the key decision makers at companies that trust CSC with their most critical legal documents — from their founding, through their growth and development. Our clients are very much aware of the significant liabilities that can arise in transfer agency functions, and we want to assure clients their T-A will have the discipline, tenacity, staff, and financial resources a Transfer Agent must have.

We are able to offer TA services through our registered transfer agent Delaware Trust Company, and we're confident CSC will continue to help our customers streamline their businesses and save money.



cscglobal.com

PREPARING FOR 2021 PROXY SEASON

Lessons From A Year Like No Other



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

THREE MAJOR TRENDS CONVERGED IN 2020 THAT WILL INFLUENCE OR DRIVE CHANGES IN 2021 DISCLOSURE.

- 1. Rising investor interest in Environmental, Social & Governance (ESG),** in environmental (and company) sustainability, social responsibility, and in Human Capital Management (HCM), or viewing the workforce as an asset to be nurtured and not just a cost to be minimized.
- 2. COVID-19 and its impact on performance** have created an important story for companies to tell. Many 2020 proxies, mostly filed in March and April, acknowledged the early impact of the pandemic on performance; employee health & safety considerations, including work from home; and the potential need to switch to remote or “virtual” shareholder meetings. 2021 disclosures will provide an opportunity to update this story and report on the full year impact.
- 3. The increasing concentration of ownership** by long-term indexed investors. While “passive” in terms of portfolio selection, they are very “active” when it comes to engagement and proxy voting, referring to this as “stewardship” of their portfolio company investments. The “big three” indexed asset managers –BlackRock, Vanguard and State Street Global – on behalf of their asset management clients – collectively own and vote approximately 20% of corporate America (and over 30% of many individual compa-

nies). Unlike “active” managers, passive investors cannot simply sell individual companies when they are disappointed with strategy or performance. They believe that better governance – and better disclosure – can lead to better performance. These investors may not be as attuned to ongoing company IR messaging as are active managers. This makes them more reliant on robust proxy disclosures to update them on company strategy, performance, and the key aspects of their governance, compensation and sustainability programs.

Some of the most heavily impacted companies and sectors literally went into survival mode

During 2020, some of the most heavily impacted companies and sectors literally went into survival mode, and investors for the most part gave them forbearance during this unprecedented period. As we enter 2021, investors are doubling-down and re-focusing their attention on longer term E&S issues, and they expect companies to do the same. For these reasons, we view COVID-19 both as an “event” that all must deal with and that many will report on, and as a “lens” that is re-focusing investor attention on longer term issues. While not the only vehicle for communicating many of these issues to investors, we do expect

Design-wise, the trend is away from dense narrative, to more digestible, visual portrayals of key messages.

many companies to report on the impact of COVID-19 on their company in the 2021 proxy, and will likely do so in two ways:

- 1) By providing a primary, centralized statement about COVID-19 and its impact on company performance, along with corporate response strategies and board oversight measures. These will generally be in robust cover letters, proxy summaries or absent those, in the governance section of the proxy.
- 2) By discussing these impacts in a more distributed fashion, specifically in affected areas such as board and committee charters, oversight responsibilities and skills matrices, expanded ESG and HCM sections, engagement results covering these topics, and compensation metrics (reflecting the increasing prevalence of non-financial metrics including ESG and HCM-related measures in pay calculations).

TOP ISSUES FOR 2021 – ESG RISES IN IMPORTANCE

The perennial top two proxy related issues have been:

1. The board and governance, with a focus on diversity (whether measured by gender or orientation, race, ethnicity or geographic origin, age, tenure, cognitive thinking, and of course, individual skills and competencies).
2. Executive compensation, pay-for-performance alignment (measured in various ways), and increasingly, the alignment of pay with the business strategy through a discussion of “why we use these metrics.”

Now, ESG has become the third leg of the proxy disclosure stool.

3. Investors are interested in company exposure or resilience to potential regulatory, technological and competitive responses to climate

impact; and increasingly focus on human capital management, including workforce diversity, pay and opportunity equity, health & safety and other related topics.

WHY DISCUSS ESG IN THE PROXY?

Efforts to highlight ESG practices in proxies make sense if you consider that these practices do not exist in a vacuum. Boards oversee ESG initiatives. Progress and success can impact executive compensation programs. These are central areas of discussion within proxies.

What’s more, success or failure on ESG priorities can affect a company’s performance and how it is perceived, as reflected by the myriad ESG ratings agencies. These ratings increasingly impact investment selection and overall demand for the stock, therefore affecting the cost of capital as well.

As one’s peer companies incorporate compelling ESG messaging in their proxies, the pressure increases on other companies to do so as well. Increasingly, investors consider companies not reporting on these topics as “not having a good story to tell”.

DISCLOSING VERSUS EXPLAINING:

We are seeing more companies going beyond “disclosing what we do”, to “explaining why we do it”. Towards this end, more disclosures are infused with the rationale for the company’s governance, compensation and E&S practices, including how these practices align with and support the overarching business strategy.

Design-wise, the trend is away from dense narrative, to more digestible, visual portrayals of key messages. This includes infusing the proxy with company branding elements; visual summaries including company and strategy overviews; performance highlights and callouts; timelines; diversity graphics and skills matrices; process flow images that depict key board and management processes (with some also including the “outcome” from these processes); and tabular representations of the components of compensation, peer company selection, and engagement outcomes.

BEST PRACTICES CHECKLIST:

Make it easy for investors to find key information. Many companies are using one or more of these techniques:

- **Include a brief company overview with strategy and performance highlights.** Remember that this is a repackaging exercise, and so make sure not to disclose anything that has not already been disclosed via IR. This overview can help “set the table” for investors who will be voting on the board and executive compensation, among other issues.
- **Make it easy to spot year-over-year changes,** whether to strategy, governance, compensation or E&S practices. Some companies use “What’s new for 2021” callouts or dedicated table columns. Timelines are a good way to claim credit for longer term incremental change.
- **Consider the overall flow of the document and navigation to key information.** Use a consistent hierarchy of major, secondary and tertiary headings. Many investors use the proxy as a reference rather than a reading document, and for them, detailed tables of contents, glossaries of terms, page headers and footers, and other devices can help.
- **Where possible take key information out of the main body of text and draw the reader in by use of visual elements, graphs, callouts and similar devices for emphasis.** In doing so, be judicious, however, as investors have found some highly visual proxies to be distracting. That’s why it’s best to reserve visual elements for the most important messages.

THE NEED FOR COLLABORATION HAS NEVER BEEN GREATER

Remember that the proxy has increasingly become a team effort. While the proxy is a critical regulatory filing and is typically “owned” by legal, its content has expanded and design and branding have assumed more critical roles. For these reasons, it makes sense to include other departments

When you work with DFIN on your proxy, you:

- Ensure it speaks to your objectives
- Harness the power of design to focus the attention on your corporate strengths
- Build a strategic document with clear messaging that’s easy to digest

early in the proxy strategy, messaging and creation process. Most of our clients employ cross-functional teams including:

Legal, HR/benefits, finance and investor relations, risk, sustainability, community relations, corporate communications and others, with the proxy receiving regular C Suite and Board review.

Another reason to include IR is to reduce the likelihood of mixed messages between the investment story and the governance, compensation, sustainability and overall proxy stories. Many investors will attest that this isn’t merely a theoretical risk. Plus, consider that IRO’s are experts both at distilling complex stories to their essence, as well as serving as a two-way conduit transmitting company information to investors, and investor feedback to the C Suite and Board.

As proxies and other documents increasingly involve multiple authors working simultaneously, each year more of our clients are utilizing DFIN’s disclosure management application, Active Disclosure. This secure, cloud-based, collaborative document management and drafting tool enables your team to create and file your proxy statement with ease and DFIN assistance, if necessary.

RON SCHNEIDER

DIRECTOR - CORPORATE GOVERNANCE SERVICES

917.658.9593 • RONALD.M.SCHNEIDER@DFINSOLUTIONS.COM

DFIN

[DFINSOLUTIONS.COM](https://dfinsolutions.com)

8TH EDITION GUIDE TO EFFECTIVE PROXIES:

[PROXYDOCS.COM/XDFINX](https://proxydocs.com/xdfinx)

[DFIN PROXY FOR PUBLIC COMPANIES](https://dfinproxy.com)

The Employee Plan Experts

YOUR ONE-STOP SHOP FOR EMPLOYEE PLAN VOTING.



with Ellen Philip and Kathy Witman

Practical advice on how to “lock in” the typical - and strong - and often critically important pro-company vote from your Employee Plan participants.

The *OPTIMIZER* talks with the industry experts - Ellen Philip and Kathy Witman from Ellen Philip Associates - on strategies to improve employee plan voting and the tools needed to run a successful and compliant proxy job.

OPTIMIZER: Innovative companies have been putting a renewed focus on improving voting results from their employee stock ownership plans in recent years - and for good reason: Employee plan participants offer a built-in support base that can easily be “marketed to” to bolster votes in favor of management positions on key or contentious proxy proposals that we expect to see on the ballot in 2021 and beyond. We have seen companies that have increased their meeting quorums by as much as five percentage points with virtually all votes cast in favor of management positions.

Ellen, and Kathy, tell us about the way Ellen Philip Associates can make this happen.

Ellen: We have been working closely with public companies and Plan Trustees for decades to help them streamline their processes and improve the voting results in employee plans. Employee-Plan services are so central to what we do that we’re often referred to as “The Employee Plan Experts.” That’s where we concentrate a great deal of our time on serving companies with employee plans.

OPTIMIZER: Why, exactly, do companies need “Employee Plan Experts”?

Ellen: Many companies - and many of their service-suppliers too - are put off by all of the tiny but important details - and all of the coordination that’s needed to mount a successful employee campaign. Many companies use two or three different record keepers, and two or three Plan Trustees, so the tasks often seem too

daunting to tackle during the very busy meeting season. All too often, employee voting gets tossed into a common pot - and gets lost in the process, which misses the opportunity to serve this important group.

Kathy: This is where our key strengths come to the fore: We can spring into action right away. We know what needs to be done without asking a lot of questions or getting in the way. We have all the tools, and all the software that’s needed - basically on the shelf. Most Plan Trustees and plan record keepers know us well - and we know them - so we can hit the ground running. Toss us the ball and we will run with it.

OPTIMIZER: Why do you say that tossing all your voters together, into a ‘common pot’ is a bad way to go?

Ellen: We provide a pass-through voting process that is completely insulated from the voting process for other types of shareholders. It’s safe. It’s secure. It gives employee voters the extra care and attention they typically need - and deserve to have.

Most important, it provides strong reassurance on the confidentiality issue, which is vital to plan participants - and to Plan Trustees too. It keeps the process free from any compliance or confidentiality issues. There will always be some employees who may want to vote for a shareholder proposal that the company opposes. Or maybe there is a Director where they really want to abstain, or even vote No. But many employees are afraid they will be discovered and maybe considered disloyal by management. So they do nothing. Plan Trustees are, quite rightly, *fanatical* about keeping employee votes away from management scrutiny - and from any outside scrutiny for that matter. So we take special pains to assure voters, and Plan Trustees, of confidentiality at every step. And we’ve built the tightest of controls into all our voting systems.

Completely separating Employee Plan voting from all other voting platforms produces another big benefit: The opportunity to focus on Employees as a very important voting bloc. Unlike the case with street-name and registered holders, companies almost always have a current email address for employees. This allows you to reach out quickly - and inexpensively - to provide a one-stop voting site and track progress. It also allows you to reach out quickly and effectively to employees who have not voted yet - while still assuring the essential confidentiality of their actual votes.

Kathy: Another critically important point to assure a successful campaign is to make certain that all 'points of contact' with Employee Plan voters - the proxy cards, written instructions and the Internet and telephone voting sites themselves - are very simple, intuitive and quick and easy to deal with. We are the experts here, and here's where we really excel.

Our goal is to allow Employee Plan voters to quickly choose the voting method they prefer, then to take action immediately on all of their plan holdings - and on their registered holdings too - whether it's signing and mailing a single "combined proxy card," voting by phone or voting online, and most importantly, being all done in five minutes or less.

OPTIMIZER: Are there other pay-offs that a plan sponsor might expect from working with a specialist company such as yours?

Our goal is to allow Employee Plan voters to quickly choose the voting method they prefer, then to take action immediately on all of their plan holdings - and on their registered holdings too - and to be all done in five minutes or less.

Kathy: As Ellen mentioned, our biggest advantages are that we're a one-stop-shop for Employee Plan voting, with all the tools we need on the shelf - and that we are quick to act. This is particularly important in the so-called special situations we're known for - proxy contests, tender offers and other corporate actions where shareholders have to "elect" various other options, like the number of shares to tender, or the mix of cash and stock they want to have. Recently, we were brought into a complex project on a Friday afternoon and were able to mail the following Tuesday. In the interim we helped develop documents, coordinated responsibilities with other key players in the process, loaded the master file and also built customized internet and telephone data-collection and voting sites and an online, real-time reporting site. Timing here is always critical - and there is zero-tolerance for instruction forms that are confusing and no tolerance whatsoever for mistakes.

ELLEN PHILIP
ASSOCIATES, INC.

Your One-Stop to Maximize Employee Voting

ELLENPHILIP.COM | +1 212.461.4328 | INFO@ELLENPHILIP.COM

SERVING THE INDUSTRY SINCE 1978



26TH ANNIVERSARY SPECIAL

SUBSCRIBE TO THE SHAREHOLDER SERVICE *OPTIMIZER* BY MARCH 30TH, 2021 & RECEIVE OUR QUARTERLY ADVISORY LETTER & PRINTED ANNUAL SUPPLEMENT FOR ONLY \$245 PER YEAR.



Plus, your subscription to the *OPTIMIZER* comes with the promise of "some free consulting on any shareholder relations or shareholder servicing matter to ever cross your desk."

Subscribe Today at OptimizerOnline.com/subscribe



Nothing Good Comes From *Escheat*

States Continue To Push The Envelope On Unclaimed Property Audits And Demands For Corporate Records. Issuers & Agents Push Back Successfully!



Important updates from Jennifer Borden, Esq. of Borden Consulting Group

While there were dozens of reasons for the entire country to look forward to an end to 2020, there were also a few bright spots for issuers in the unclaimed property community. And although 2021 has started on less of the high note most hoped for, there is still reason to be optimistic about anticipated developments in 2021. One lesson learned from 2020, both in unclaimed property and in general, is that progress requires many different groups to work together.

The year was filled with court rulings that will impact the landscape going forward, notwithstanding the abundance of appeals pending. The most significant ruling out of Delaware was the Chancery Court's ruling that enforcing an incredibly broad administrative subpoena in an unclaimed property audit would be an abuse of the court's process. Although the Chancery Court gave tremendous deference to the agency's expertise, and paid respect to the fact that the legislature had conferred investigative powers on the agency, the Court could not condone the particular subpoena that had been issued in the Unclaimed Property Department's audit of AT&T. The Vice Chancellor cited a combination of factors that required the rejection of the subpoena. No individual factor was fatal, but the combination of so many issues was problematic.

Of note, the subpoena demanded all records from all accounts, over a time period broader than allowed by statute. Additionally, the request was for records that were not subject to be escheated to Delaware, for example, checks that had been cashed and checks owed to payees with addresses outside of Delaware. Finally, the subpoena's demands were identical to the

information request drafted by the auditor conducting the exam, not by the state.

At the time the request was drafted, the auditor's compensation was contingent upon the amount of property found to be escheatable. The court held that this "potentially creates a pernicious incentive for (the auditor) to serve broad information requests and engage in expansive audits that impose substantial burdens on companies, thereby inducing settlements that generate income for (the auditor)." The breadth of the Subpoena in this case is suggestive of such tactics." Delaware has since made an administrative decision that general ledger ("GL") audits will no longer be compensated on a contingent basis, and appealed the Court's condemnation on their use. However, securities audits are still conducted on a contingent fee basis, and the same audit firm that is paid hourly for a GL audit can simultaneously audit the company's securities on a contingency basis. The State's appeal of this decision is currently pending before the Delaware Supreme Court.

Also in Delaware, the saga of Univar continues. Univar and Delaware have been unable to reach an acceptable Non-Disclosure Agreement ("NDA") and audit protocol since 2015 and have been litigating same in state and federal court for almost two years. At the heart of the dispute is what steps must be taken to protect Univar's records from disclosure. This is a very broad issue, encompassing the protection of both trade secrets and personally identifiable information ("PII"). Further, the protection is needed against breach, security incidents, and even Freedom of Information Act ("FOIA") requests. While Dela-

ware does not make information produced during an audit subject to a FOIA, the auditor is representing dozens of states. Many of the other states on the multi-state audit would allow audit records to be produced in response to a FOIA request. As a result, putting these confidential records in the hands of Delaware's auditor for purposes of the Delaware audit would have meant that they are simultaneously in the hands of the agents for the states that would allow disclosure under FOIA. The Delaware judge ruled that such a structure was not permissible, and required different audit teams to be utilized, with a documented ethical wall.

If there are any instances of someone not on the Delaware audit team gaining access to the records produced in the Delaware audit, the breach must be reported to the court, with the person identified to be held accountable, and in contempt. This audit is stayed while challenges in the federal court that predated the state litigation are pursued. Like the AT&T case, in general courts recognize the states' powers to audit. However, they are tapping the breaks on the way that the audits are conducted. No longer is it acceptable to expect that an audit request must be honored if it seems to be outside of the temporal or jurisdictional bounds authorizing it. Rather, all requests must be scrutinized to determine whether or not each element of the request is necessary. Further, separate audit teams might be required for multi-state exams, which will also increase the burden on the company under audit. Finally, this is at least the fifth time that a court has recognized the constitutional issues inherent in a contingent fee audit. However, Delaware is the only state that has thus far reduced its reliance on this payment structure.

Meanwhile, the issuer community awaits guidance from the Commonwealth Court in Pennsylvania, where the prior Treasurer had demanded that PPL comply with a subpoena to produce all of its shareholder records electronically to a third-party. The demand includes all shareholder PII, including account numbers and social security numbers, even though none of that information is needed to determine if an account is escheatable or not. Further, the demand includes shareholders in states other than

Pennsylvania, and the information would be subject to the FOIA laws of other states due to the fact that it is being conducted by a contingent fee auditor with one audit team representing multiple states. While the state has been very dismissive of PPL's well-founded concerns regarding the risk of producing its shareholders' PII from any unnecessary disclosure or security incident, the recent breach of hundreds of federal agencies demonstrates that the risk is very real and cannot be ignored. This case should be heard some time in Q2. In summary, companies should expect continued audits, but the audit protocols may be significantly impacted going forward. Further, responses to information requests should be better tailored to the actual language of the statutes of the states that are participating in the audit. Care should be taken to avoid production that is based on unsupported interpretations of statutes.

No longer is it acceptable to expect that an audit request must be honored if it seems to be outside of the temporal or jurisdictional bounds authorizing it.

On the legislative front, it was disappointing to see many states propose versions of the Revised Uniform Unclaimed Property Act ("RUUPA") that did not include the shareholder protections adopted by the Uniform Law Commission in 2016. For example, many supposed RUUPA bills allow for immediate liquidation of shares upon receipt, and do not make shareholders whole when their securities accounts are escheated. Just as troubling, many states seem to be attempting to move away from the RPO standard for securities, even though lost shareholder protections are guaranteed by the Securities and Exchange Commission. These pivots can come in the form of legislation, or simply in attempts to reinterpret statutes, and through enforcement actions. Other trends in legislative initiatives are proposals to allow more subpoena powers, and new laws to make on-line gaming accounts escheatable.

On the bright side, the National Association of Unclaimed Property Administrators (“NAUPA”) has been engaging very cooperatively with the Unclaimed Property Professionals Organization (“UPPO”), the Securities Transfer Association (“STA”) and the Shareholder Services Association (“SSA”) and other industry groups. The first instance of cooperation occurred when mail was disrupted due to COVID, interrupting due diligence, proxies, and dividend disbursements, all of which are key to the escheat process. All organizations worked collaboratively to ensure that shareholders were protected, and issuers would not be saddled with interest and penalties. Additionally, the attention on mail called into focus issuers’ reliance on third parties to conduct the proxy process, and the importance of incorporating those records of shareholder contact into the records held at the transfer agent. By working together, the proxy provider and transfer agent can significantly reduce escheatment, thereby protecting shareholders’ investments from liquidation.

By working together, the proxy provider and transfer agent can significantly reduce escheatment.

Finally, UPPO and NAUPA are holding joint webinars on securities issues, including the impact of the CARES Act on IRAs. Hundreds of participants from both the states and industry registered for the first session, all with a clear need for information that will be used to protect investments during these difficult times. Hopefully, this cooperative approach, with multiple industry groups and states participating, will continue and carry through to other areas of common interest. If 2020 has taught us anything, divided we fall. Here’s hoping that 2021 will bring unity, uniformity, and shareholder engagement, because *nothing good comes from escheat*.

Jennifer C. Borden
617-334-7744
jborden@jbordenlaw.com
jbordenlaw.com





HOW CORPORATE SECRETARIES CAN HELP BOARDS SUCCESSFULLY ADD DIVERSITY TO THEIR RANKS



By Cherie A. Sorokin
& Kristina Veaco

The proposed NASDAQ requirements for increasing board diversity, California law on the subject and the changing environment as a result of the social justice movement, may finally provide the catalyst to overcome the long-standing cultural bias that has held back board diversity efforts - and likely not only for the companies covered by these requirements. In fact, because of the continued drumbeat of investors, regulators and other stakeholders for increased diversity on boards, diversity requirements may become an accepted new governance norm, perhaps including the categories of diversity listed in the NASDAQ proposed rule.

Of course, notwithstanding cultural bias and other factors that have to-date limited board diversity, some boards have already taken steps to increase their diversity. Conversations with colleagues in those companies can be a useful first step in thinking about how to increase board diversity in companies that have not yet begun to do so.

Additionally, corporate secretaries routinely work with their boards on governance issues related to director recruitment, orientation, education, performance and tenure. Adding a “diversity lens” to those activities is an important way in which a corporate secretary can help boards prepare for improving their diversity. Consider these steps, for example:

1. Ensure the board is aware of the NASDAQ and California requirements as part of the corporate secretary’s update to the board on corporate governance trends, even if the regulatory requirements don’t appear to

Diversity requirements may become an accepted new governance norm.

specifically apply to your company. Proxy voting guidelines are being adapted to include diversity requirements, which could affect your company.

2. Compare the company’s existing criteria for potential nominees to the types of diversity identified in the NASDAQ and California requirements; raise the issue with the Nominating and Governance Committee of conforming the company’s criteria to those requirements, in addition to other currently stated criteria; consider updating the Corporate Governance Guidelines to reflect the revised criteria and include the criteria in the proxy statement.
3. Review with the Nominating and Governance Committee the company’s current director skills matrix, including the impact of upcoming retirements along with any change in the current company strategy, to help with planning for new directors. Consider the skills and experience sought by the board to fill vacancies vs. position titles. Include skills and experience needed for committee work in the matrix.
4. Encourage the Nominating and Governance Committee to set a goal of adding at least two diverse directors to the board within a specified time frame to force action. “One and done” approaches often make it harder for a new diverse director to acclimate to or be fully accepted within existing board culture.

5. Begin the search or at least identify diverse candidates even before there is a board vacancy. Require outside recruiters to include diverse candidates in each recruitment effort. One resource is the Equilar Diversity Network - a “registry of registries” of board-ready executives from leading ethnic and gender diversity organizations.
6. Include peer reviews in the annual board evaluation. PwC’s Annual Corporate Directors Survey of several hundred directors recently have shown that close to half of the respondents report that at least one director on their board should be replaced, and about a quarter of the respondents report that two or more should be replaced. And yet the appetite to take action to replace under-performing directors and create room for new directors remains low. Of course, board evaluations should not be seen as a vehicle to get rid of directors, but they can be the beginning of conversations to address under-performance by some directors. Peer reviews as part of the annual evaluation can bring any director under-performance into focus. Being intentional about removing under-performing directors may provide a mechanism to speed up the opportunity to recruit a diverse candidate.
7. If there is no current appetite to remove or not renominate a sitting director, consider a temporary expansion of the board to make room for a diverse candidate, to allow for overlap between a new director and an outgoing director. Bylaws often allow for a range in board size enabling the board to increase board size through the adoption of a resolution.
8. Consider modifying or adopting measures to promote board refreshment and increased turnover. For example, some companies establish a goal of having an average tenure for the board as a whole to ensure regular turnover, but without individual board members being forced to retire automatically because of age or years of service. Specific age or term limits do insure turnover— albeit at a relatively slow pace, but both are blunt instruments that may have the unintended consequence of forcing strong contributors off the board prematurely.
9. Encourage the Nominating and Governance Committee to establish the practice of advising potential candidates that a board seat is not a lifetime “entitlement”: as the company’s needs evolve, so must its board. Share this position with sitting directors as well. All directors should understand that as the organization evolves, directors may need to step aside to allow for a new director with a different background or experience to join the board.
10. Review current director orientation and ongoing education programs to facilitate any new director coming up to speed quickly. Some boards have new members sit in on all committees for their first year to increase their exposure to current issues. Regularly follow up with new directors to make sure they are getting what they need.

It takes time to implement changes in boards. Finding and acclimating new directors is an effort, especially in times of major change and upheaval. Even if a board has not yet begun to think seriously about diversity in its own ranks, incorporating a diversity lens into the steps the corporate secretary already routinely takes can be very helpful in preparing boards for both a change in mindset as well as adoption of changes in process and procedures needed to assist the board in successfully adding diversity to its ranks.

KRISTINA VEACO
 FOUNDER - VEACO GROUP
VEACOGROUP.COM
KVEACO@VEACOGROUP.COM



1 The NASDAQ Stock Market recently filed a proposal with the Securities and Exchange Commission requiring listed companies 1) to disclose certain board diversity statistics annually and have or disclose why they don't have a minimum of two diverse directors including one who self-identifies as female and one who self-identifies as either an underrepresented minority or LGBTQ+ (Black or African American, Hispanic or Latinx, Asian, Native American or Alaska Native, Native Hawaiian or Pacific Islander (or two of more races or ethnicities, each of which must be disclosed) - within one year of the SEC's approval and 2) to appoint at least two diverse directors or explain why not. These requirements would be phased in over a four or five-year period, subject to listing tier.

2 SB826, California's board gender diversity law, requires that publicly held companies with principal executive offices located in California include a minimum of one woman on their boards by the end of 2019, and two by December 31, 2021 if the company has five directors, and three women directors if the company has six or more directors. CA AB 979 was also recently adopted which requires one director from an underrepresented community on boards of publicly-held corporations with their principal executive offices in California by December 31, 2021, two directors before end of 2022 if the company has between four and nine directors and three directors if more than nine directors.



It's Time to Take a Careful New Look at this Suddenly-Hot Issue

WHEN SHOULD A PUBLIC COMPANY CONSIDER APPOINTING AN INDEPENDENT INSPECTOR OF ELECTION?

- If you think you may have one or more matters on your shareholder meeting ballot where the outcomes could turn out to be close or contentious
- If investors are voting on one or more “material items” – like a merger, recapitalization or a bylaw change that requires shareholder approval
- If you are planning to have a Virtual Meeting - where everything takes place in cyberspace
- If you want to be sure that any firm or individual inspector that you and your board appoints has rigorous procedures in place – and actually follows them – and that the inspector(s) can stand up and be effectively counted on themselves if challenged
- If you simply want to follow “best practices” when it comes to inspecting the election and certifying the final results...using Inspectors who are knowledgeable and totally independent

To reserve an Inspector for the 2021 proxy season please call **Team Manager Carl Hagberg** at **732-778-5971** or email at **cthagberg@cthagberglc.com**. And do please remember that April, May and June get booked-up mighty fast these days.

www.Inspectors-of-Election.com

A Special Shout-out To Women-Owned And Women-Managed Companies

When the *OPTIMIZER*'s senior editor started in the securities industry, in 1960, women comprised somewhere between 75% and 85% of the total workforce at most service providers to publicly-traded companies. The hundreds of millions of stock certificates processed for transfer and issued and mailed each year... the hundreds of millions of bookkeeping entries posted and filed away...the tens of millions of address changes recorded each year? Ninety-percent handled by women. The number of women officers? Or top managers? Close to zero.

Even the number of women who were first-line-managers back then was close to zero.

The proxy solicitation business was strictly a man's world, as was The Stock Transfer Association...and the Corporate Transfer Agents Association, now the much more enlightened SSA. The Society of Corporate Secretaries, founded in 1946, did not allow women

members at all until 1954 (the excuse: traditional meeting-venues like the Harvard Club admitted men-only.) Membership was 90% male well into the 1960s. Even into the 1980s - while most of the real corporate secretarial work was done by women - and many began to reach the rank of Assistant Secretary - women members were few and far between, and women attendees at meetings were even fewer. It was not until 1989 that the Society elected its first woman Chairperson when, even then, no one could ever imagine that a woman would ever become the CEO of the since re-named Society for Corporate Governance and that three of the nation's four largest transfer agencies would be managed by women.

What wonderful progress has been made on the Diversity and Inclusion fronts over the past few years! Although much more progress is needed, we are very pleased to feature some of the leading lights in the corporate governance and investor-servicing worlds.

WOMAN-FOUNDED/OWNED COMPANIES:



JENNIFER BORDEN, ESQ.
FOUNDER
BORDEN CONSULTING GROUP

The top consulting company to contact when state audits, threatened or actual litigation and other complex abandoned property matters arise.

DENISE KUPRIONIS, ESQ.
FOUNDER & PRINCIPAL
GOVERNANCE SOLUTIONS
GROUP (GSG)

A corporate governance consulting firm specializing in board and board-committee evaluation



ELLEN PHILIP
FOUNDER
ELLEN PHILIP ASSOCIATES

The Employee Plan People:
A One-Stop Shop to
Increase Employee Voting

KRISTINA VEACO, ESQ.
FOUNDER & OWNER
VEACO GROUP

A corporate governance consulting firm specializing in board and board-committee evaluation



WOMAN-MANAGED BUSINESS UNITS:



KATIE SEVCIK

CHIEF OPERATING OFFICER
EQ (EQUINITI)

The nation's second-largest transfer agent.



JENNIFER WARREN

CEO
ISSUER SERVICES, NORTH AMERICA
COMPUTERSHARE

The largest U.S. Transfer Agent by a wide margin



DARLA STUCKEY

PRESIDENT & CEO
SOCIETY FOR CORPORATE
GOVERNANCE

"The Society" is a non-profit organization comprised principally of corporate secretaries and business executives in governance, ethics and compliance functions at public, private and not-for-profit organizations.

DOROTHY FLYNN

PRESIDENT
CORPORATE ISSUER SOLUTIONS
BROADRIDGE

Encompassing their Proxy Processing, Transfer Agency and other Issuer-Services businesses



ANNA HAGBERG

CHIEF OPERATIONS OFFICER
CT HAGBERG LLC

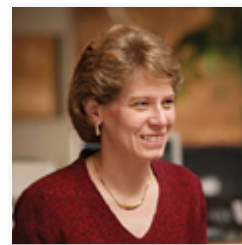
We are very proud of our focus on diversity and inclusion: Currently, of our 47 Inspectors of Elections, 48% of them are women and/or minority group members.



KATHY WITMAN

VICE PRESIDENT
SOFTWARE ENGINEERING
ELLEN PHILIP ASSOCIATES

The Employee Plan People: A One-Stop Shop to Increase Employee Voting



OPTIMIZER

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

VOLUME 26, NUMBER 4

NOW IN OUR 29th YEAR!

FOURTH QUARTER 2020

IN THIS ISSUE

BIG INVESTORS RAISE THE BARS
FOR VSMs BIG-TIME - OUR TOP TIPS
ON PREPPING FOR A SMOOTH AND
SEAMLESS VSM

SEVERAL EASY TO FIX "BLOOPERS" IN
THE 2020 Q&A PERIOD

THE BIGGEST POTENTIAL BLOOPER OF
ALL - LOST CONNECTIVITY AT YOUR
VSM: HERE'S WHAT TO DO TO PREPARE

A BIG VSM PLUS - IROs FINALLY GET A
PRIME SEAT AT THE AGM TABLE

INSPECTORS OF ELECTION: MORE
IMPORTANT THAN EVER WITH VSMs

A WARNING - AND ADVICE ON THE HUGE
INCREASE IN INDIVIDUAL INVESTORS
- AND THE POTENTIALLY BUDGET-
BUSTING "ROBINHOOD EFFECT"

OUR TOP MONEY-SAVING TIPS AS YOU
PLAN YOUR AGM

MENTAL HEALTH: FAST BECOMING A
TOP ESG ISSUE

DO VSMs TURN A SHAREHOLDER
MEETING INTO "A SHELL OF THE
DELIBERATIVE CONVOCATION IT
ONCE WAS"?

HOW'S THIS FOR A SUPER-CLOSE VOTE:
A 195,661 MARGIN ON 1+ BILLION
VOTES CAST! BUT ODDLY, NO WORRIES

INDUSTRY NOTES: MANY MERGERS
& A BOMBHELL IN THE TRANSFER
AGENT WORLD AS CSC ENTERS THE
T-A BUSINESS ALSO, TURMOIL IN
PROXY LAND

PEOPLE

REGULATORY NOTES...AND COMMENT

Issuers: Big Investors Are Raising The Bar On Their Expectations For VSMs Big-time: We Predict A Potential Shortage Of Top-quality VSM Providers Vs. Expected Demand... Start Your Engines Now!

Glass Lewis's late November release of its 2021 policy guidelines pretty much summed up what every major investor says they will be looking for in Shareholder Meetings in 2021:

- We look for robust disclosure in a company's proxy statement which assures shareholders that they will be afforded *the same rights and opportunities to participate as they would at an in-person meeting*. [Emphasis ours.] Examples of effective disclosure include:
- addressing the ability of shareholders to ask questions during the meeting, including time guidelines for shareholder questions, rules around what types of questions are allowed, and rules for how questions and comments will be recognized and disclosed to meeting participants;
- procedures, if any, for posting appropriate questions received during the meeting and the company's answers, on the investor page of their website as soon as is practical after the meeting;
- *addressing technical and logistical issues related to accessing the virtual meeting platform*; and
- *procedures for accessing technical support to assist in the event of any difficulties accessing the virtual meeting*. [Emphasis ours]

As we have been reporting, more and more institutional investors - who rarely if ever attended such meetings - are tuning in - and loudly criticizing companies they perceive as falling short of the guidelines above. And this season, you can bet that they will also be scanning your Proxy Statements for info on your VSM plans - and withholding votes if plans are weak and their demands are not met to their satisfaction.

And, as our headline notes, we expect to see a shortage of top-quality service providers relative to the demand for top-quality VSMs who

CONT'D →

will be able to offer, and smoothly integrate the kinds of technologies that are needed to provide **the same rights and opportunities to participate as they would at an in-person meeting**. To help set the stage, here are several sections that address the technological issues we bolded in the Glass Lewis guidelines...

Several Serious “Bloopers” In The 2020 Q&A And Voting Periods That Are Very Easy To Fix For 2021

Our good-friend and fellow VSM-reporter Doug Chia recently posted the following, from widely-followed shareholder proponent Jim McRitchie:

“Here’s one for you. I just got off the virtual meeting of [XYZ company - name redacted by the OPTIMIZER since they were far from alone here.] Voting was cut off the second I concluded my presentation requesting better disclosure of political contributions. I submitted a question asking: ‘Why was voting concluded the second I finished presenting proposal #4, leaving no time for shareholders to vote?’ Their response was that it was a “good question” but it “goes to the mechanisms of what we’re trying to do here.” What kind of answer is that? Of course, the impact of leaving people no time to vote is to invalidate the purpose of presenting a proposal. The SEC penalizes proponents if we don’t present our proposal but presenting the proposal is an otherwise meaningless exercise if no one can vote or change their vote based on what is presented. People will listen to you...Talk some sense into them. Why are so many people so complacent about things that make no sense?”

Activist hedge fund manager Andrew Shapiro of Lawndale Capital Management quickly chimed in: *“I hope you [Doug] are effective at exposing this abuse to more people.”*

Calling this an “abuse” is somewhat of an exaggeration in the OPTIMIZER’s opinion: We’d call it a “rookie error” or a “careless error” - most likely due to sloppy cutting and pasting of the script during the 2020 prep period - and of not carefully reviewing the entire “run of show” before finalizing the script. And actually, there were two serious errors here in our book - errors that several other companies made in 2020. And sorry, Doug, your answer, *“The fact is that most (almost all?) companies close the polls right after all items of business have been presented”* was not on the money either:

- Common sense - and common decency - requires the Chair to ask if there are any questions or comments after each proposal has been presented, to assure a “fair” and open procedure, before moving on to the next item of business - and especially a significant one, like closing the polls. So (1) making sure to ask if there are any questions or comments after each and every proposal is introduced and (2) giving shareholders ‘fair warning’ - and allowing a few, stated number of minutes where holders can change their votes is a *hallmark* of good governance - especially at VSMs where online voting takes a bit of extra time.
- *The fact is* that this is by far the most common practice at Meetings of Shareholders, and is, indeed, the “Best Practice.”
- The best part of all this, however, is that these are very simple things to address when you finalize your Meeting script, and it takes only a few seconds to observe.

Doug also mentioned that some companies {like **Intel**, he noted] keep the polls open until the end of the second, general Q&A period. While we respect the *idea* - we do NOT consider this to be a best practice - or even a good one. As we have been saying, writing and explaining to activists for years, the most important order of business at a Meeting of Shareholders is to conclude the “business of the meeting” - and especially the election of directors. This should be the first order of business - so that the Meeting can legally be concluded if the power goes off or the fire alarms suddenly start to shriek. Readers:

We urge you to review our detailed suggestions for managing the Q&A periods in our previous issue: Go to...<https://optimizeronline.com/the-virtual-shareholder-meeting-qa-and-how-to-tackle-it/> ... and also to review the article below as well.

THE SHAREHOLDER SERVICE **OPTIMIZER**

is published quarterly by
CARL T. HAGBERG & ASSOCIATES
SUBSCRIPTION PRICE:
\$245 Per Year

Questions, comments or letters to the editor about material in this newsletter are also most welcome.

ALL RIGHTS RESERVED: Reproduction or transmission of this newsletter, in part or whole, by any means whatsoever, is prohibited unless the permission of the editor is first obtained. Such requests are welcome and permission will be liberally granted.

P.O. Box 531, Jackson New Jersey 08527-0531
E-mail: carl@optimizeronline.com
www.OptimizerOnline.com

The Biggest VSM Blooper To Avoid: Lost Connectivity

Here's How To Get Set For 2021 - And To Prepare For The Worst Things That Can Happen With Your Meeting Technology

We have had many decidedly up and down experiences listening to the all-too-numerous webinars on VSMs of late where the guidance was flatly wrong, or important facts were omitted: Most notably on what to do if you lose “connectivity” during the course of your company’s VSM. Here are our Top-Tips, straight from the meeting-front, on how to prepare:

- Step-one is to inventory all of your “points of connectivity” - and what could go wrong at each one.
- Let’s start with the dial-in number for Directors and Officers - which is usually used for Shareholder Proponents, and the Inspector of Elections and the Auditors too if there are questions for *them*. This, as an ‘operator attended line’ - and always a ‘hard-wired line’ in our experience - is the least likely ‘point of connectivity’ to go down...at least where the service provider is concerned. But here, as happened fairly often in 2020, some of the parties accidentally hung up - or couldn’t find the un-mute button, or seem to have wandered off, or nodded off, and missed their cue to chime in - or maybe had a bad cell-phone connection on their end.
- The same sorts of problems can arise when some or all of the key attendees are visible on a Zoom or other platform. And the odds of glitches are a bit higher due to sometimes-weak or shaky Internet connectivity. Here, the Chair, or the Meeting Secretary simply needs to say, as we hear so often on national newscasts of late, “We seem to have lost our connection” and quickly move on. If there is an absent shareholder proponent, be prepared to quickly introduce the proposal on your own. One last but very important take-away: Test these, and all other meeting apps, well in advance with a live dress-rehearsal – to test the strength and stability of each participant’s ‘connectivity,’ to be sure that everyone involved is familiar with “the buttons” – and will know what to expect - and who will do what - if glitches do arise.
- Next comes the dedicated dial-in line for shareholders to call in with questions - which we feel you **MUST** have this season, if you are used to getting, or expecting questions at your Meeting. This too is an “operator-attended line” - where the risks of disconnects are also low - unless the caller fouls up. But - while we are at it - be sure to have clear rules of the road - like requiring callers (or the operator) to announce their names, and an affirmation that they are shareholders - and to provide ‘fair warning’ when they get close to their allotted time - **AND** to be *fairly lenient*, but firm in the end with regard to disconnecting *them* if they go way over - and to be **VERY FIRM** - and **VERY FAST** if callers venture into things that are improper under the rules of conduct.
- The most likely point of failure in our own long experience arises at the meeting site itself - most often due to a power outage, but sometimes due to screeching fire alarms, where everyone at the site needs to leave at once. Here, you need to be sure that your VSM service provider will post a sign on the webcast screen about the “technical difficulty” and a message to “please stay tuned for further information.” Then, of course, you, and your VSM service provider, will need to devise a plan for what to do next as quickly as you can, and post **THAT** on the screen if at all possible.
- This takes us to our main “payoff point” - which all the “*webinaristos*” we’ve heard failed to address - and which we have been publishing regularly for 27+ years: Be sure you have a plan to officially **CONCLUDE** (not ‘adjourn’) the Meeting if you possibly can. You can almost-always do this - as long as you have a quorum. Then, you need to have a short “Emergency Script” - and you need to have signed the Ballot of the Appointed Proxy prior to convening the Meeting, instructing the IOE to “cast the votes in accordance with the proxies on file.” Even if you need to leave the room immediately it takes only a few seconds to say, that “Based on the votes in hand, the business of the Meeting can be and has been concluded” - and that you will report on the voting ASAP.
- Two final points; Just in case the VSM service provider’s App drops dead in the course of your meeting, be 100% sure that your provider can reach out to everyone who registered for the meeting, and who was in attendance, to fill them in on the outcomes ASAP...and, heaven forbid, on any “next steps.” **ALSO**, we have it on good authority that at several 2020 VSMs someone accidentally hit the “**CANCEL MEETING BUTTON**” and shut down the whole show...So be 100% sure that only one person has access to this button, and will not push it until all the business of the meeting has been concluded.

Here's Another Useful Development To Smooth The Way At Your VSM: IROs Finally Get A Prime Seat At The AGM Table

One of the most interesting - and encouraging - and useful developments with regard to VSMs - has been the fast-growing importance of the corporate Investor Relations staff - both in terms of preparing for the Meeting, and often, in playing a significant on-air role at the Meeting itself. Here's why we think this is, and why your company should take note:

- IROs tend to be far more tech-savvy, and much more comfortable with “virtual” events than most legal and corporate-secretarial department staffers are, thanks to the increasing use of the Internet for earnings calls - where a growing number of public companies, by the way, have been allowing ordinary investors to tune in too.
- IROs, as a rule, have the best sense of anyone in the company about what really is - and really *should be* on the minds of investors of every stripe. Accordingly, they can help hugely in terms of prepping the on-air management team for the kinds of questions to expect...and especially, the toughest ones that might come in.
- A few very savvy IROs seem clearly to have invited questions from investment managers, as a way to ‘get the Q&A ball rolling’ - AND as a way for management to be seen as proactive - and more open and articulate in their answers to Qs that *should be* top-of-mind where investors of all stripes are concerned. This is exceptionally helpful in allowing Directors, or Senior Managers to answer questions, which makes the Meeting more interesting, and provides for a much nicer “flow.”
- IROs tend to have a lot of practice when it comes to dealing with deeply probing, and sometimes rather hostile questions and comments from investors...and with introducing and handling them, or handing them off smoothly and diplomatically.
- IROs are, we think, the very best people to screen incoming questions - and to tee-them up - and read them, if they have been sent in advance or typed in during the Meeting. Aside from the fact that the Corporate Secretary needs to focus on the flow of the Meeting as it progresses, many of them, we are sorry to note, tend to evaluate, decide on - and maybe rule out - questions through a strictly “legal lens,” which can often be off-putting to questioners - and to listeners.
- We hasten to add that most Chief Governance Officers and MANY Corporate Secretaries are total pros at all of this, witness their roles in all five of our “Top-Five VSMs.” But quite frankly, the IRO *usually* comes across as a much more “neutral referee” than someone from the “legal world” – and this job clearly requires undivided attention.

Inspectors Of Election: More Important Than Ever With VSMs

Since the very first VSM hit the airwaves the OPTIMIZER has been advising that the Inspector of Elections should be playing a key role - mainly because, with everything taking place in cyberspace, investors really need some added assurances that all of the voting is taking place, and being recorded completely, and strictly “according to Hoyle.”

For 2021, given the likelihood that almost all Meetings of Shareholders will be VSMs, and in light of some oddball 2020 developments, we are urging issuers to be sure that the eyes, ears, brains – and experiences of their IOEs will be fully engaged, and fully up to the tasks at hand. Here are our top-tips:

- Be sure to select an Inspector of Elections that truly knows what he or she is supposed to do – AND who can stand up and confidently address any questions – or challenges that may arise with respect to the voting process, and the final results.
- Be sure to introduce the Inspector at the Meeting – and, ideally, we say, mention the Inspector’s Oath – and have the *Inspector* certify that a quorum is present.
- Be sure to have the Inspector(s) review the proposed Meeting Script well in advance – and invite their comments and suggestions. (Most expert IOEs have attended dozens, and often *hundreds* and sometimes

CONT'D →

thousands of Shareholder Meetings, and are well-versed in scripts that work smoothly and well – as well as spots that might cause bumps in the road. (We are 99.9% sure, for example, that none of the CT Hagberg LLC Inspectors would have failed to review the script, or would fail to point out the too-abrupt closings of the polls, or the failures to give fair-warning – and to allow ample time to vote online - that we saw in 2020... but that were so easily fixable.)

- Be sure to have the Inspector attend the all-important dress rehearsal we advise, to test all of the technology – and connectivity. Again, an IOE who has attended many meetings will often have useful suggestions to make on how to best manage the Q&A – and on the overall “run of show.”
- Consider having the IOE, rather than the Meeting Chair, briefly summarize the voting outcomes: No need to read all of the numbers, as once was the custom, but simply to say that the directors were elected, the appointment of auditors was ratified and that each proposal was either “approved” or “not approved” – being sure to avoid terms like “passed” or “failed” or the decidedly non-neutral phrase, “was defeated.”
- Be sure that the IOE will know what to say and do if any of the outcomes may require a bit of extra due diligence, and time, before certifying the final voting.
- Be sure your IOE will be able to view most if not all of the information the Management Team is able to see via the Meeting App: Typically, the number of shareholders and the number of guests in attendance, the number of voters or, more precisely, ‘attempted votes’ – just to be sure the final results will pass both the “sniff-test” and the “sanity test” with the IOE – and with the reported outcomes.
- Be sure the IOE will be able to observe the number of questions in the on-line question queue, we advise...so he or she could verify, if required, that all questions were indeed answered... if the company asserts it’s true.

Our Warning - And Our Advice - On The Huge Increase In Individual Investors We’re Seeing - And On “The Robinhood Effect”

Liz Dunshee, star blogger and editor of thecorporatecounsel.net blog contacted us in November, in response to a reader’s question about the effect “The Robinhood Effect” might have on her 2021 budget. We scooped ourselves to get the news out on her site fast - but OUCH! There has been even more disturbing budgetary info since then, so here’s the latest:

Initially we wrote: “Given the upsurge in commission-free stock purchase and sales fees, the recent upsurge in buying stocks directly by small retail-investors - and the growing number of opportunities for small investors to purchase “fractions” - or small “slices” of individual stocks - there should indeed be a growing concern about the potential for providers of such services to make money by collecting fees from issuers for distributing proxy materials to people with “immaterial” investments. (We have been calling it “fee harvesting.”)

Here’s some good news for issuers: A year or two ago the NYSE fee guidelines were amended to address what had been serious abuses by some providers - to bill for distributing proxy materials to participants in so-called “managed accounts” - which are more like mutual funds than specifically selected stocks - and also to provide that no fees should be collected for distributing materials to shareholders with less than one full share.

But here’s some fresh new bad news that issuers need to be alert to: Since our first heads-up on small shareholder accounts, the numbers have continued to soar: **JMP Securities** estimated that 10 million new brokerage accounts were opened in 2020. And the CEO of **Robinhood** reported in May that they had over 13 million users – a number that has certainly grown significantly since then. To make it even worse for issuers, these accounts are opened by very new kinds of holders – fast-traders who are more like ‘gamers’ and who buy and sell and sometimes hold small amounts of many different stocks. Years ago, we used to estimate that the average retail investor had, maybe two and a half stocks in their brokerage account on average. Today, we bet the number is many times that amount.

Here’s even worse news: Robinhood awards small amounts of “free stock” in companies it selects to people who open new accounts or recommend Robinhood to others...which clearly helps their fee harvesting big-time. So if your company has been a hot-stock – or a very volatile stock – or maybe a “cheap stock” for Robinhood to give away – and also – if those “fractional shares” or “slices” now add up to a full share, your 2021 proxy fees

CONT'D →

might be major budget busters. A glimmer of hope, the NYSE recently petitioned the **SEC** to allow it to prohibit the collection of proxy fees on shares issued as “free promotions” but we don’t see how this will be enforceable in practice – and we doubt that, even if accepted, it would be in time for the 2021 proxy season. The “Robinhood Effect,” by the way, is very much a misnomer, because, while yes, they seem to steal from the rich where proxy fees are concerned - all the money goes to Robinhood alone, to subsidize those free trades.)

There’s one last thing that issuers need to watch for in 2021 as they review their proxy fees: Over many years a number of companies would spring up that would usually (but not always) order up a few hundred copies of annual reports and proxy materials for their “library” - or “for distribution to clients” - and then, whether they had received materials or not, submit bills for payment. Many of them would slip through the approval process and get paid.

So as we look forward to the 2021 proxy season, issuers will be wise to be on high alert for such dubious scams - and for other efforts to skirt the rules by “proxy-distribution entities” that are not bound by current NYSE rules.

Our Top Money-Saving Tips As You Plan Your AGM

Given the huge upswing in retail-broker clients - and in their stock-buying habits in 2020 - plus the expected “Robinhood Effect” in 2021 – we have been wracking our brains to come up with fresh money-saving ideas for 2021, which has many truly budget-breaking aspects on the horizon. Here’s our list, and our advice to “start your engines right away.”

- The Notice and Access system still has huge potential for issuers who do their homework, and we urge you to bone-up on the details ASAP. We got a call from a big company client who asked if they could invoke it across the board, but had sort of forgotten how N&A is meant to work – and the fact that they likely had a large number of stockholders, including many employee and retiree owners who had signed up for hard-copies early-on, and later, by contacting their brokers. Our advice was to do a very careful count of registered holders, employee owners and retail-broker accounts to see exactly how the numbers look – but also to carefully weigh the much greater propensity of voters who get hard-copy to actually VOTE...as we advise you to do ASAP.
- Because this company has a huge number of employee and retiree ownership – big enough to be big “swing voters” – we also advised them to consider treating them as a separate voting class altogether, as a way to potentially generate big savings in postage and paper. (See the article in this year’s Special Supplement for details.)
- Printing and mailing costs will still be the largest budgetary items by far for most large companies. So here, our advice is to carefully consider consolidating all the printing with a single firm (this company actually used three different firms for the A-R, Proxy Statement & 10-k...and at least one of those firms was, we knew, farming out much of the real work to others.)
- So bidding out all your printing work has HUGE potential for savings – although here too, we would caution about the bad effects on voting that a cheesy-looking presentation can produce – AND to note the fact that many times, the winner-on-price fails to produce the level of attention to detail – and to overall quality that was promised.
- Moneywise, our top-tip– although it is easier said than done – is to reduce the number of pages you print and mail. Our client asked about a “Wrap” – a name we hate, because it sort of implies a cheesy doc – which it can be if not done carefully. But two documents are a lot better, and usually far less expensive than three – or four. AND...please note, there are some really excellent ones out there to serve as models.
- So get your printers – and mailers too - to sing for their supper – and to give you their very best ideas. The “best of the best” these days are experts in using charts and graphics to convey complicated subjects with far fewer words – which can help you to rack up big savings.

Carl Hagberg’s Big Moment of Fame:

If anyone wants to have a laugh at your senior-editor’s expense, click this link to a video made by his grandson William (Peder’s eldest son) that made it to super-blogger PewDiePie’s website...and drew over 7 million viewers.

<https://youtu.be/zvpVRTobCCo?t=536>

Mental Health: Fast Becoming A Top ESG Issue

The need for greater attention to mental health has long been an important issue for both of the OPTIMIZER's editors. Here are a few quick facts: In the United States, almost half of adults (46.4 percent) will experience a mental illness during their lifetime, Five percent of adults (18 or older) experience a mental illness in any given year - equivalent to 43.8 million people. Only 41 percent of the American people who had a mental disorder in the past year received professional health care or other services (due in part to economic issues but also, very largely to the stigma associated with having a mental illness.) Lastly, despite the huge size and scope of the problem, U.S. expenditures on mental health comprise less than 3% of the total spending on health in general.

But suddenly, due in large part to the way the COVID pandemic has literally brought the issue home to so many people, Mental Health is fast becoming a major ESG issue. A recent Kaiser Family Foundation poll, revealed that 56% of Americans reported that worry or stress related to the outbreak has led to at least one negative mental health effect. Those include anxiety, severe stress, depression, trouble eating or sleeping, increased use of alcohol, frequent headaches or stomachaches, shorter tempers, and other health problems. Among frontline health care workers and their families, 64% reported worsened mental health, as did 65% of those who had lost income.

Great news, and required reading, from the mega-investors and analysts at Janus Henderson on the positive correlation between mental health and corporate health and wellbeing, excerpted here, with a few powerful economic points at the end:

"Our corporate engagement has affirmed our belief that companies with wellbeing and mental health policies generally have better employee retention, a favourable work culture and a more resilient workforce. We as investors recognize the importance of continuing to engage with companies on this topic based on our view that a healthy and beneficial culture within the businesses that we invest in is vital to success. It is clear to see that good businesses have moved with the times and address mental health within their organizations. According to the WHO, studies have shown that every US\$1 spent on evidence-based care for depression and anxiety can return US \$5."

*"According to the **WHO** the global economy loses more than US\$1 trillion per year due to depression and anxiety...In addition, work carried out by the **Lancet Commission** states that mental disorders are on the rise in all countries and are due to cost the global economy US\$16 trillion by 2030."*
<https://www.janushenderson.com/en-dk/investor/article/covid-19-analysing-approaches-to-mental-health-emea/>

Even more great news from Wachtell, Lipton, Rosen & Katz, excerpted here and more required reading, for sure:

"Employee mental health and well-being are now shifting up the priority chain and becoming matters of external interest. Effective corporate initiatives on emotional wellness are now valued by shareholders, as well as other stakeholders, who are recognizing how these issues affect personal and professional lives, productivity, morale, recruitment, retention, and ultimately influence a business's ability to generate long-term sustainable value as it prioritizes employees.

"Companies are beginning to highlight these matters in external disclosures. For example, in its inaugural fall 2020 ESG report, **Uber** emphasizes how it has "amplified our focus on mental health and well-being and identified systemic ways to normalize the conversation... **Eaton's** latest sustainability report spotlights "Supporting mental health"; and **AstraZeneca** now discloses in its sustainability reporting a formal **"Workforce Wellbeing Model"**, how its employees are driving action on mental health generally, global strategies for integrating mental and physical health in the workplace and 2025 performance targets relating to a "healthy workforce," including as to workplace pressure management.

"From the investor perspective, what is new—and accelerating—is how institutional investors and asset owners globally are asking to understand corporate approaches to supporting the mental health of employees. Shareholder engagement and dialogue is occurring in the context of investor assessments of public companies, corporate leadership and board oversight as to human capital management

CONT'D →

(“HCM”), corporate culture and resiliency, compensation and employee benefits, and broader community impacts. In the U.S., especially in the COVID-19 context, shareholders have begun reviewing corporate disclosures and engaging on measures taken to support the physical and mental health of the workforce.

“In the U.K., an investor-led mental health engagement program begun by CCLA Investment Management has been seeking to “build a substantial coalition of investors” to push for progress, “drive workplace mental health to the top of the corporate agenda” and “boost the mental resilience and wellbeing of workers across all sectors and industries.”
<https://www.wlrk.com/webdocs/wlrknew/WLRKMemos/WLRK/WLRK.27152.20.pdf>

Industry Notes:

Abandoned Property Advisors, LLC announced the acquisition in late December of **Keane UP’s** Location Services Division, Keane Financial Legal Claimant Services, and National Claimant Services. - with industry veterans **Bob Irvine**, formerly of **UPRR** until its merger into Keane, back in the industry as Principal - and wife **Carol Irvine** as President & CEO. The memo implies that APA and Keane will have some sort of relationship going forward, but no details were forthcoming, despite our many calls.

Our great friend Broc Romanek has launched a new and exciting web site – [ZippyPoint.com](https://www.zippypoint.com) – which consists mainly of free instructional videos that cover both hot topics for sophisticated practitioners and has tons and tons of content for newbies. He has posted over 530 videos so far – including 30 panels as part of a **“Proxy Season Spectacular”** conference Your senior editor has three or four videos on Shareholder Meetings there too. (See his tutorial on proxy fights at <https://www.youtube.com/watch?v=ZHTq9vjYgTs>) for essential facts and some hair-raising stories on traps to avoid. Broc also has a monthly newsletter entitled **“The Five.”** Don’t miss this, we say: So much better than the constant chatter we get from others.

A bombshell development, we think, as 120-year-old registered agent CSC enters the Transfer Agency business: The **OPTIMIZER** has long been predicting that there would be a few more new entrants in this highly troubled businesses - simply because troubled businesses always attract new entrants. But when we first learned about CSC’s entry, in an exclusive interview in this year’s Special Supplement, we thought, *“What are they thinking?? This business is shrinking faster - and more dramatically - than a cheap cotton t-shirt.”* But then, we heard their rationale: The fact that CSC is present, literally at the conception of maybe half or more of all the U.S. companies that are formed each year - both publicly-owned and closely-held corporations, please note. AND...they are a highly-tested, widely-regarded and highly *solvent* company...that specializes in helping companies manage their liabilities. We think they are in a position to sweep up a giant chunk of the new-company business, where currently, a lot of the small-company Transfer Agents are Mom and Pop - or Mom-and-daughter outfits operating out of their kitchens...without a buck to spare, much less decent liability insurance. So we also think they can scoop up the market for smallish existing companies that wake up to the fact that having a big snafu, or defalcation at one’s transfer agent can imperil the client company’s very existence as a company. Watch this space for more news here - for sure.

Deutsche Börse announced in November that it will acquire an approximately 80% stake in frequently bought-and-sold **Institutional Shareholder Services (ISS)** - in partnership with current management and **Genstar Capital**, based on an ISS valuation of USD 2,275 million (EUR 1,925 million) for 100%. Current ISS CEO **Gary Retelny**, who will co-invest with other senior managers, and with Genstar, will continue to lead ISS.

It will be interesting to watch this play out, but do check out the economics here, readers, and the huge ISS margins: *“As a leading ESG-focused provider of high-quality data, analytics and insight, ISS has attractive growth rates. In 2020, ISS is expected to generate net revenue of more than USD 280 million... and an adjusted EBITDA margin of approximately 35% pre-transaction effects, which has further operating leverage potential. Net revenue of ISS is expected to grow organically at a rate of more than 5% on average per annum until 2023.*

Major changes at Equiniti, the global financial services company, headquartered in the U.K. and owner of **U.S. Transfer Agent EQ:** CEO **Guy Wakeley** “stepped down with immediate effect after six tears in post” on Jan.

CONT'D →

15 - following an 11%+ decline in 2020 revenues and major shortfalls vs. expectations for recent U.S. acquisitions and new ventures, as the U.S. head of the new U.S. “Digital Businesses” departed after a short nine month stint.

The **International Integrated Reporting Council (IIRC)** and the **Sustainability Accounting Standards Board (SASB)** announced their intention in late November to merge into a unified organization, the **Value Reporting Foundation**, “providing investors and corporates with a comprehensive corporate reporting framework across the full range of enterprise value drivers and standards to drive global sustainability performance.” This sure sounds like good news to us, as a way to integrate - and to simplify the reporting of the ESG factors that are most important to investors, and, ideally, to create a single point of reference for issuers.

Major Turmoil In The Proxy Solicitation Business

Last year, the OPTIMIZER’s Special Supplement ran seven pages of ads from seven proxy solicitation firms: three full page ads, three pages of advertorials and two half-page ads.

This year - even as all the pundits are predicting that 2021 will be a banner year for mergers and acquisitions - including many unfriendly attempts - as well as proxy fights to oust directors and seize control on the cheap - and probably a bunch of sales or spin-offs of business units as well - we will run only two and a half-pages of ads!

Meanwhile, a recent chart from Bloomberg revealed some huge shifts in market share of “activist-driven deals” - but where more questions than answers came to the fore:

GLOBAL ACTIVISM ADVISORY RANKINGS U.S. and GLOBAL DEALS COMBINED*						
FY 2020					FY 2019	
Adviser	Total	Comp	Activist	Rank	Rank	Total
Okapi Partners	62	15	47	1	1	70
Innisfree M&A	58	48	19	2	2	64
DF King	51	41	10	3	3	47
Georgeson	46	31	15	4	4	44
Morrow Sodali	45	39	6	5 ▲	6	35
TOTALS:	262	174	88			260

* SOURCE: BLOOMBERG GLOBAL ACTIVISM REVIEW

What is really going on in this industry?

While **Okapi Partners** was once again number-one in the proxy solicitor/advisor on the global activism scene, again by a fairly wide margin in the **Bloomberg** charts, the rankings are by number of deals, and not by dollars earned. On *that* all-important score, we’d place **Innisfree** miles ahead, even though they lost six deals vs. 2020 - with them and Okapi the only firms on the chart to lose deals in 2021 - and we’d place **DF King** as the likely number three. Interestingly, **Morrow Sodali** made the biggest jump in the chart, by far – adding 10 more engagements in 2020 – a 28% increase – raising them from 6th to 5th place...and knocking **MacKenzie Partners** off the chart entirely. But, as we always remind, the figures are not at all indicative of total industry revenues, or revenues per advisor, since many of the biggest advisory assignments are carried out and settled before fights break out - and also because the size of all the deals in the pot is another important determinant as to “who’s who.” MacKenzie - which for the past ten years had been on one side of the other of almost every big deal to come down the pike - is, most likely, we think, the number-two firm, based on revenues from actual or settled deals. But any way you slice it, the knockdown-drag-out competition that’s evident here has surely served to lower revenues all around.

CONT'D →

So what we think we are really seeing here is a greatly over-crowded field of players - a few of which had been raking in huge fees as Proxy Advisors over the past ten years - but where a major revenue-driver - the Advisory part of the fees - seems to have collapsed. And, sad to say to our good friends in the business, we think things will continue to get worse for most of them.

Most of the big deals have traditionally been steered to a relatively small group of favored solicitors by a smallish group of elite law firms - which didn't fully understand, or *want* to understand or deal with the 'proxy plumbing issues,' and didn't care to spend their time in the low-tech proxy-chasing world, much less in the 'snake pits.' But that was *then*. Let's face it; if you are a corporate director, you'd rather take advice from a top-tier law firm than from a professional proxy chaser - unless of course, the lead advisor is an industry super-star. But nowadays, the superstars are few and far between. And, by the way, there is no need to "chase proxies" at all these days, since in every real proxy battle, every investor has both a legal and a financial need to vote - and will do so, without the need to get reminders, or dunning calls.

But Oh! Woe! Even stronger competition on the advisory front has been coming from several other elite sectors - like the major investment banks, financial PR firms and 'elite advisors' like **Camberview**, with their big roster of once highly-placed pros from the public company world and elsewhere in high finance, all of whom, with the lawyers, seem to us to be sucking up most of the advisory money in deals these days. One other factoid that seems germane here: Only four of the seven or so firms on our radar screen - DF King, Georgeson, Morrow Sodali - and **Alliance Advisors** - which isn't even on the Bloomberg list - have a significant "annuity revenue stream" to survive the new proxy-wars for survival, we fear... in the form of the old, but steady and reliable proxy-chasing biz.

Readers: Please note well: As we've written many times before, in a real proxy fight the party with the savviest and hardest-working Proxy Solicitor/Advisor goes in with a HUGE edge. So choose carefully and well, we say, given today's fast-moving environment. And stay tuned for much more action on this front.

Big Shifts on the Legal Side of Deals

GLOBAL LEGAL ADVISERS - COMPANY			
FY 2020			
Adviser	# Engagements	Stake \$B	Rank
Sidley Austin	33	\$4.1	1 ▲
Wachtell Lipton Rosen & Katz	31	\$10.4	2
Vinson & Elkins	27	\$1.1	3 ▼
Kirkland & Ellis	19	\$2.4	4 ▲
Latham & Watkins	19	\$1.1	5 ▼
Skadden Arps Slate Meagher & Flom	18	\$2.7	6 ▼
Gibson Dunn & Crutcher	13	\$0.5	7 ▲
Cravath Swaine & Moore	9	\$4.3	8 ▲
Paul Weiss Rifkind Wharton & Garrison	9	\$1.8	9 ▼
Wilson Sonsini Goodrich & Rosati	9	\$1.4	10 ▼

Sidley Austin's 33 deals booted last year's number-one, Vinson & Elkins, to third place. But Wachtell Lipton enjoyed an enormous lead overall, in terms of the value of activist stakes in Bloomberg's 2020 top-ten list.

CONT'D →

Legal Advisors on the Activist Side...

Olshan Frome Wolosky LLP led the leaderboard with 119 engagements in 2020, according to Bloomberg data, followed, very distantly in terms of the number of engagements by **Schulte Roth & Zabel LLP** with 42 and **White & Case LLP** with 16.

Kudos To The Optimizer Re: Naming Depositories In Tombstones? We do think we deserve a small pat on the back, because since our article on this subject was published in the 3rdQ issue, we have not seen a single tombstone that failed to mention the Depository...the most important info for a shareholder to know.

The Fossilized State Of The Securities Transfer Association: We can't resist a note here, after reporting on the huge surge in individual investor interest in buying stocks in individual companies of their choosing in 2020 – *exactly* as we had been predicting would happen. And...after offering to work with the STA pro-bono to re-launch the **Own Your Share of America** campaign, where TAs are *theoretically* able to modernize and market an effective and profitable program...only to be dismissed out of hand. Once again, the STA has missed the wave...just as they did when they enjoyed a near monopoly on proxy voting...but failed to see the future, and the much bigger potential of “beneficial” vs. “registered” ownership when it came to writing, adopting and actually *approving* the proxy voting rules, back in the 1980s.

Out of Our In-Box:

More Evidence That Unbusy Attorneys Are Horning In On VSMs As Billing-ops...and Often Offering Bad Advice: One of the CTH LLC Inspectors sent us an alert in early January on a potential “issue” at an upcoming VSM: The issuer's attorney – from a very prominent firm - rejected our standard, and self-proving template for the Final Report on the Voting, saying he'd drafted his own version...which he wanted us to use instead, and which included the following attestation as item 2: ***“That I inspected the signed proxies used at the Meeting and found the same to be in proper order.”*** Yes, there once was a time - before machine-scannable proxies and telephone and internet voting - when Inspectors (actually, their assigned team of clerical workers) actually DID this...But that was then, as ultimately the attorney understood. A week later, another attorney said he “needed to research whether the Inspector had to be physically present at AGMs for Delaware Co's.” (The correct answer, rookie lawyer, is clearly, NO!)

Do VSMs Turn A Shareholder Meeting Into “a Shell Of The Deliberative Convocation It Once Was”? An otherwise excellent white paper on VSMs – and on the long and colorful history of Shareholder Meetings that was posted in the Harvard Review gave your senior-editor a giant belly laugh when he read the dire-sounding warning in the headline above. He has been attending AGMs since the 1960s - and studying hundreds of historical cases for guidance as to the proper conduct of a Meeting and the proper validity of proxies, where the most wild and wooly proxy fights were decided along the way...And he can assure you that while there were hundreds upon hundreds of raucous caucuses, where often the police needed to be called in, Shareholder Meetings never were, and never will be (nor are they legally *designed* to be) “deliberative convocations.”

How's This For A Super-close Vote: A 195,661 Margin On 1+ Billion Votes Cast! And No One Really Cared

A reader e-mailed the 8-k for the May 2020 shareholder meeting at HP Inc., asking “What do you think of this? Did one of your Inspectors Inspect?”

The vote on a shareholder proposal to allow shareholders of HP Inc. to act by written consent was reported as 535,776,744 Against and 535,581,083 For - a difference of a mere 195,561 votes out of 1,061,357,827 votes cast. The IOE was not from our Team, but the oddest thing; no one seems to have cared all that much about the result.

So what do we think? We did not try to compute the standard deviation here, but clearly, since no tabulating system can guarantee zero-mistakes, this amounts to a flat-out “statistical tie.”

And, while the IOE was not part of the CTH LLC Team, there would not be much point in double checking every item with the potential to tip the vote the other way because HP Inc. had actually lost the vote on this in 2017 - and the board did not adopt the shareholder proposal. While normally we - and many big voters would

CONT'D →

be scandalized by the failure to act, the proxy materials pointed out both times that shareholders already had the ability to call a Special Meeting - with quite a low threshold for doing so. So the potential to force a Consent Solicitation - with less than a year to go before the next regularly scheduled meeting - and with a Special Meeting a perfectly viable and far more "transparent" and better-governed an option - seems totally absurd in our book. What could possibly happen in less than a year to justify such an urgent need for action?

If one looks with care at Consent Solicitations, one will discover that they are almost always used as a low-cost, "down and dirty way" to take control of the business by ousting the incumbent board...and without the usual "takeover premium" please note.

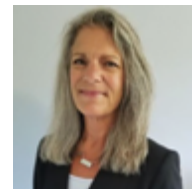
Someone should arrange a sit-down with serial proponent John Chevedden, to try to patiently explain the lack of any real need here... PLUS the fact that historically, Consent Solicitations have worked to the advantage of raiders and quick-sale artists - and to the disadvantage of long-term shareholders.

People: Many New Developments Re: Industry Super-Stars...and A Few Very Sad Developments To Report



David Dixon, a long-time super-salesperson in the shareholder-servicing marketplace (CPU, WFB, EQ) - now committed to a career as an individual entrepreneur - has signed on as an Associate with **CT Hagberg LLC**, to serve as an Independent Inspector of Elections on the CTH LLC Team. We are certain that many of Dave's former clients and close industry friends will be thrilled to see him back in action as a highly experienced, steady-handed and knowledgeable resource at Shareholder Meetings.

Industry veteran and much-loved client service rep **Susan Hogan** (**Chicago Stock Exchange** (3 years), **Harris Trust** (3), **BNY-Mellon** (12 1/2) and **Computershare** (9+years when she was recently rified) and a long-term pillar of the sadly defunct **Mid-West Securities Transfer Assn.** has signed on as a client service rep with **AST**. What a great win for them - and for AST clients!



Barbara Howland - another industry veteran - has joined the **CT Hagberg LLC Team of Inspectors of Election**, we are pleased to announce. Barbara served in various roles with **Chiquita Brands International Inc.** for more than 30 years and as its Corporate Secretary and Assistant Corporate Secretary for more than 20 years, until it was acquired, where she was responsible for corporate governance and compliance matters as well as activities related to the company's quarterly board meetings, annual shareholder meetings and the drafting and filing of Chiquita's annual proxy statement. Barbara also managed proxy distribution, the planning

and logistics of shareholder meetings and shareholder communications, managed the company's incentive stock option and restricted stock award programs and oversaw due diligence and closing activities associated with acquisitions, divestitures and financial transactions. Barbara - a thorough Meeting-Pro - currently serves on the board of directors and as an officer of several non-profit corporations.

Yet another industry veteran, the peripatetic **Tom Kies**, has left Transfer Agent and start-up proxy solicitor **EQ** and the ill-starred proxy solicitation business he was hired to jump start, to become the SVP of Strategic Accounts at **FusionIQ**. He will be "managing Client Services, inclusive of the Sales, Marketing and Customer Experience teams." This follows a strategic investment in the company by NASDAQ-listed **B. Riley Financial** which has similar lines of business. Interestingly, Tom's new boss will be one of his *old* bosses, **Mark Healy**, formerly the CEO of **AST** during its earlier and much rockier times, following the sale of AST to Australia's **PEP** - who will now be the new CEO at FusionIQ. What is FusionIQ? It is "committed to providing an eCommerce platform that has everything Broker Dealers, Banks, Credit Unions, Wealth Managers and RIAs need to create a revolutionary digital wealth investing experience for their end consumer. [It takes] great pride in offering a digital investing platform that integrates directly into your existing offering; creating operational efficiencies, cost savings, compliance support and new revenue sources for your business. This comprehensive offering



CONT'D →

reiterates our company's values to deliver, support, and expand our best-in-class digital solution to help our partners grow their wealth management businesses."



Jeff Seadschlag, who has been a Southern-California-based star-salesperson in the Transfer Agency world for several decades was riffed by **EQ** at year-end, in what has, by and large, been an *annus horribilis* for the transfer agency business. We feel certain we will see Jeff somewhere in the securities industry before too long...so stay tuned.

CalPERS announced in November that another industry super-star, **Anne Simpson**, became the full-time Managing Investment Director of Board Governance & Sustainability, effective immediately, a role where she'd been serving on an interim basis. Anne has been with CalPERS for more than 11 years, and among other honors, she was recognized last year by **Time Magazine** as one of 15 women globally leading the fight on climate change.



Very Sad News:

Thomas A. (Tom) Ferrari, who retired from **Computershare** two years ago, after a very long career there, passed way at 73 on November 21, 2020. Tom was one of the best-known, best-liked, most-knowledgeable and most unflappable people in the industry. He leaves behind his wife Adelaide, children Thomas, Renee, Lauren and Dana and three grandchildren.

Terence (Terry) Gallagher - a true giant in the corporate governance space and a friend, wise counselor and beloved mentor to so many people in our industry - passed away on November 22, 2020 at the age of 86. A graduate of **Manhattan College**, **Harvard Law School** and **NYU**, Terry served in the U.S. Air Force as an Assistant Judge Advocate and was awarded the Air Force Commendation Medal. He practiced corporate law, principally with **Pfizer, Inc.**, where he rose to the position of Vice President of Corporate Governance - the very first person in the U.S. to hold that title. His board service included **The Interfaith Center on Corporate Responsibility**, **The Pfizer Foundation**, the **Conference Board**, **Global Corporate Governance Network**, the **IIRC** and **El Museo del Barrio**. He was co-chair of the **Council of Institutional Investors** and Chair of the groundbreaking Committee of the Corporate Governance Task Force of the **Business Roundtable**, served as a corporate governance advisor to the United States House of Representatives Committee on Financial Services, and in 1985 was invested into the **Order of Malta**. Besides his wife of 59 years, Barbara, he is survived by his four children and ten grandchildren.

William (Bill) Jaenike, the second Chairman & CEO of **Depository Trust & Clearing Corporation - DTCC** - and your senior-editor's cherished friend and colleague for over 50 years - passed away from COVID on Jan. 1st at the age of 83, after a five-day illness. Bill and your editor first met in 1970 as members of the **Banking and Securities Industry Task Force (BASIC)** - where they, and four other young strivers from various parts of the securities industry served as fact finders and staff to the blue-ribbon panel of senior industry executives that joined forces on an emergency basis to solve the "Paperwork Crisis" of the late 1960s, where staggering volumes of paperwork forced the Stock Exchanges to severely limit weekly trading hours to allow back-offices to catch up. Bill went from the Task Force to soon become the Depository's chief operating officer and then it's Chairman, from 1994 to 1999. Be sure to read Bill's account of the crisis - and how the industry managed to dig out of it in the **OPTIMIZER's** History section....Bill also authored a truly fascinating book, "**Black Robes in Paraguay**" which describes how Jesuit missionaries established 30 huge and financially successful Utopian communities in central South America, then were slandered and driven out by other, jealous missionary orders - and where ultimately the Pope revoked their charter...until wiser heads finally prevailed. Bill is survived by sons Christopher and Eric and his beloved grandchildren Mia and Max.

Joseph J. Morrow, who founded proxy solicitation firm **Morrow & Co.** in 1972, where he served as CEO for 44 years before selling the firm to create **Morrow Sodali**, passed away on December 8, 2020. Joe leaves his wife of 59 years, Claire Leahy Morrow - one of the most gracious 'corporate spouses' ever - four children: Joseph, Donna, Kim Morrow Laguzza, Tracy Morrow Bundy and six grandchildren. Joe graduated from **St. John's University** where he earned a BBA. He also served as Chairman of the Board of **North American Galvanizing**, served as Trustee for the **Greenwich Historical Society**, and was a **Knight of the Order of Malta**. He is also survived by his sister, Rosemary Walsh of Massachusetts and his brother, **Edmund Morrow** of Colorado - who many readers will remember with fondness as the unofficial chaplain of the **STA**, where for many years he opened every

CONT'D →

meeting with a beautiful non-denominational prayer. Joe was a true “original” and your senior-editor, who often butted heads with him, could tell dozens of stories about his many creative efforts to win votes and his famous temper (like the fiery “Dear John letter” he wrote to the Manny Hanny Chairman, **John McGillicuddy**, whom he’d never met, threatening to sue the bank and call in the Federal Reserve when we became the first bank ever to enter the proxy solicitation business.) But in a proxy fight, or in any battle to win votes, Joe was one of the toughest, most determined - and craftiest people - one could possibly have in one’s corporate corner.

Regulatory Notes... And Comment

ON THE HILL:

A grim warning from the Commodities Futures Trading Commission as the ‘climate-change deniers’ leave the stage and an official report is released: “A world wracked by frequent and devastating shocks from climate change cannot sustain the fundamental conditions supporting our financial system.”

Happier news: The US Department of Labor (DOL) released its final rule on the application of ERISA fiduciary duties regarding proxy voting, basically nullifying the original and widely unpopular release they published in September – to take effect on January 15, 2021, with delayed applicability dates for a few provisions. It adds a new subsection to the DOL’s final “financial factors” regulation where much of the criticism focused, rightly so, on rules that would have required fiduciaries to undertake and document a specific cost-benefit analysis before voting any proxies or exercising shareholder rights.

AT THE SEC:

Just before the holidays, the NYSE filed two petitions for changes in the proxy fee reimbursement rules - both with very short, and now expired comment periods: SR-NYSE-2020-98, seeks to eliminate the fee imposed on issuers for communicating with beneficial investor accounts consisting of shares received in an account opening promotion...like at **Robinhood**, which, should the rule be adopted, would be required to bear the costs on its own. The second filing, SR-NYSE-2020-96, will, if adopted, remove the NYSE from the fee-setting process entirely, where they propose to pass the role to **FINRA**.

IN THE COURTHOUSE:

The dollar amount of securities class action cases rose to \$5.84 billion in 2020 - an increase of 61% over the \$3.62 billion in settlements during 2019. The number of worldwide settlements in 2020 where a monetary amount was agreed to totaled 133 (with 117 of them U.S. companies) - an increase of 13% above the 118 settlements finalized during 2019, according to an **ISS INSIGHTS** report. The largest settlements in 2020 were “incredibly higher” in dollar amounts. The two largest settlements in 2019 were Cobalt International Energy at \$389.6 million and Alibaba Group Holding at \$250 million... while the top 2020 settlements were the following; Valeant Pharmaceuticals – \$1,210,000,000, American Realty Capital – \$1,025,000,000, First Solar – \$350,000,000, Signet Jewelers – \$240,000,000 and SCANA Corporation – \$192,500,000

WATCHING THE WEB

Frightening news, as FireEye – the company the U.S. government relies on to spot and root-out cyber-intruders – reported that its entire tool-kit was stolen – by “a nation with top-tier offensive capabilities” – and, shortly thereafter, it seems that virtually every U.S. agency has been hacked. No response at all from the outgoing Administration, and so far at least, no bombshell developments...but somehow or other, this has gotta stop!

THE *OPTIMIZER*'S 2021 DIRECTORY OF PRE-VETTED SERVICE SUPPLIERS

View the entire directory online at www.OptimizerOnline.com

Each category is preceded by a brief description of the product or service – and the competitive environment – and offers some brief advice from the *OPTIMIZER* on what to look for in a service provider. We will add to and update the Index on a regular basis.

ABANDONED PROPERTY

In recent years we have been seeing a truly extraordinary explosion in the number of new entrants in the universe of unclaimed property service providers - spawned in part by greatly increased efforts by state governments to generate funds from this source and in part by the very low “barriers to entry.” State treasurers have been upping the ante significantly - by launching extensive audits of public company records and increasing fines, penalties and interest rates imposed on companies that have not been in complete compliance with state abandoned property laws.

Where not long ago there were two dominant providers, now we count more than twenty - many of them quite small - but where the big-four accounting firms are making a return to a business they left in the wake of SOX, when potential audit conflicts were a concern - and where several large law firms are building practices here too.

For starters, please note that there are four basic parts to having an effective compliance program: Search, Reporting, Escheatment and “Cleanup” or “Asset Reunification Services” – many of which are governed by complex federal and state regulations, and where truly effective programs are intertwined to some degree.

Most public companies use their transfer agents – and often, one or more outside service providers to handle some or all of these duties, as we will describe below. It is very important to note at the outset, however, that the ultimate responsibility for such programs lies squarely with the issuer.



(877) 814-9687

newbusiness@astfinancial.com

astfinancial.com

From the birth of a new company to an IPO – from specialized transactions and activist investors to M&A support - **AST** is a leading provider of ownership data management, analytics and advisory services to public and private companies as well as mutual funds. We offer a comprehensive product set including transfer agency services, employee stock plan administration services, proxy solicitation and advisory services, and bankruptcy claims administration services. Our innovative Issuer Central® platform consolidates registered, street, treasury stock, and insider data into a single solution for a complete view of ownership. AST affiliates include AST Trust Company (Canada), D.F. King & Co, Inc. and Donlin, Recano & Company, Inc. D.F. King is the market leader in corporate proxy solicitation and advisory solutions, corporate governance, shareholder identification, and information services.



jbordenlaw.com

(617) 334-7744

Borden Consulting Group, LLC's attorneys have specialized in all facets of unclaimed property law, including audit defense, litigation, compliance and consulting for more than twenty years. Due to the often conflicting demands of regulators and auditors, the practice has expanded to regulatory compliance for the securities, electronic payments and insurance industries. Counsel regularly develops strategies to communicate with lost owners, defends multi-state audits and advises clients on all elements of the complex area of escheat law, while bringing to bear significant experience in the proxy process which is used to protect shareholders and mitigate escheatment risk.



broadridge.com/corporateissuer

Broadridge, a full-service provider of unclaimed property solutions, helps clients manage ongoing reporting and regulatory requirements related to unclaimed property. We help our clients simplify the process and execute an effective compliance strategy by developing best practices for each reporting cycle, ensuring full compliance with state unclaimed property and escheatment laws. Our Abandoned Property Management Platform is easy to use and provides efficient compliance.



computershare.com

Computershare is the world's foremost provider of shareholder services to public and private companies. Our team offers global expertise, responsive client service and innovative technology, as well as a comprehensive suite of products and services designed to help our issuer clients achieve their corporate objectives. Trusted by more than 6,000 U.S. companies representing 19 million shareholder accounts, our proven solutions put our clients' and their stakeholders' needs first.



laurelhill.com

(516) 933-3100

The **Laurel Hill Advisory Group** is North America's only independent cross border Shareholder Communications Advisory Firm.

Cross border operations allows us to effectively reach shareholders regardless of their location – Canada, the US or globally. We have offices throughout North America, giving our clients first rate cross border capabilities that specialize in contested or annual meeting solicitation, information agent services, Mergers and Acquisitions, special meeting solicitation and shareholder asset recovery programs. We also provide Depository and Escrow services.

Our state of the art Asset Recovery Center provides the ability to reach retail shareholders in an efficient and controlled manner. We believe that public issuers need to be proactive rather than reactive. If you agree, give us a call.

ANNUAL MEETING SERVICES



(877) 814-9687
newbusiness@astfinancial.com
astfinancial.com

From the birth of a new company to an IPO – from specialized transactions and activist investors to M&A support - **AST** is a leading provider of ownership data management, analytics and advisory services to public and private companies as well as mutual funds. We offer a comprehensive product set including transfer agency services, employee stock plan administration services, proxy solicitation and advisory services, and bankruptcy claims administration services. Our innovative Issuer Central® platform consolidates registered, street, treasury stock, and insider data into a single solution for a complete view of ownership. AST affiliates include AST Trust Company (Canada), D.F. King & Co, Inc. and Donlin, Recano & Company, Inc. D.F. King is the market leader in corporate proxy solicitation and advisory solutions, corporate governance, shareholder identification, and information services.



broadridge.com/corporateissuer

No more struggles to coordinate multiple vendors. No missed deadlines or budget surprises. Save time and cut costs by consolidating all steps of the annual meeting process—from planning and distribution to vote tabulation and reporting—across all shareholders. Virtual, in-person, and hybrid meeting options engage shareholders and offer a full range of voting methods.

A secure campaign management portal provides guidelines, timeline requirements, pricing tools, job status, and more.

Print and electronic delivery options speed turnaround and reduce printing and postage costs. Shareholders can view materials online and vote from the mobile device of their

choosing. Targeted reminders increase participation and stimulate voting.

Shareholder Data Services provides a complete, actionable view of shareholder ownership, voting behavior and results at critical milestones throughout the proxy campaign. It offers the ability to segment and identify critical unvoted accounts for timely reminders.

Broadridge Virtual Shareholder Meeting service is the only solution of its kind that allows validated shareholders to participate fully in online annual meetings—hearing or watching the proceedings, voting and asking questions.



cis.computershare.com

Computershare is the world's foremost provider of shareholder services to public and private companies. Our team offers global expertise, responsive client service and innovative technology, as well as a comprehensive suite of products and services designed to help our issuer clients achieve their corporate objectives. Trusted by more than 6,000 U.S. companies representing 19 million shareholder accounts, our proven solutions put our clients' and their stakeholders' needs first.



DFIN can help streamline your annual meeting and proxy events, thanks to our broker-search capabilities, real-time online vote results, final tabulation and inspector-of-election services through 8-K filing of tabulation results. We can also manage and centralize communications for all parties, and fulfill and distribute proxy materials: Cut through the annual meeting complexity; Dedicated, expert project manager; Regulatory expertise; State-of-the-art systems; Comprehensive service.

Ron Schneider - Director, Corporate Governance Services | 212.341.7593 • Ronald.m.schneider@dfsc.com • dfsc.com



(212) 461-4328
ellenphilip.com

Ellen Philip Associates has been a specialty player in the shareholder services community for close to 40 years. Our focus is on situations that can't be readily accommodated in routine processes, frequently because time is short. Flexibility is our stock in trade. We specialize in state of the art tools for collecting, presenting and distributing data by means of the Internet and telephone.

We welcome challenges that oblige us to reach out for new skills and to use old skills in innovative ways. We're independent tabulators and have a broad array of services related to corporate actions and the proxy process. Speak to us if you start wondering how you'll get something done.



EQ has a long-standing history as a dependable, trusted provider of annual meeting services in the U.S. Our focus on quality and accuracy – along with our expertise – has earned us industry-leading performance rankings for the service we deliver to our clients and their shareholders. In 2020, we expanded our services to include Virtual Annual Meetings. Our technology solution can be tailored for your needs; your branding and company messaging displayed on our easy-to-navigate site. With a streamlined authentication process for virtual participants and the ability for executives to have a practice run on the live site, we ensure a seamless experience during your virtual annual meeting.

Visit equiniti.com or email relationships@equiniti.com for more information



1407 Broadway
 27th Floor
 New York, NY 10016
mackenziepartners.com
 800-322-2885

MacKenzie Partners, Inc. is a full-service proxy solicitation, investor relations and corporate governance consulting firm specializing in mergers-and-acquisitions related transactions. Our extensive work and experience in corporate control contests keeps us at the forefront of the leading issues in corporate governance and how they affect both management and the investment community.

We provide background research and analyses on shareholder proposals covering a broad area of governance issues, including but not limited to, cumulative voting, director compensation, classified boards, shareholder rights plans and how various institutions tend to vote in these situations. We also counsel management and the Board as to whether a proposal is likely to pass and develop vote projections to support our views.



Shareholder meetings, both annual and special, are a mainstay at **Morrow Sodali**. Our seasoned staff has extensive experience which enables us to devise and implement customized solutions for your organization's unique requirements. Our dedicated teams handle all aspects of your solicitation beginning with an analysis of your shareholder profile, a thorough review your preliminary proxy statement focusing on identifying potential issues with proxy advisory firms, full logistical support, and continual updates throughout the solicitation.

William Ultan | (203) 658 9449 | w.ultan@morrowsodali.com | morrowsodali.com

BOARD, COMMITTEE & DIRECTOR EVALUATION SERVICES

In our book, the need to get some expert, outside assistance when it comes to evaluating the effectiveness of board committees – and of directors themselves – is an urgent matter: Not so long ago, most such programs were administered internally – maybe with the assistance of outside counsel – and mostly in a very general, ‘check-the-box’ kind of way, but these days, the stakes are way too high to “do this on your own.”



A Board evaluation is a tool that allows directors to be compliant with listing standards, demonstrate leadership to company stakeholders, and affirm its effectiveness. Choosing the right approach for your board is critical to an effective review. At GSG, we use a unique process that allows directors to develop an assessment focus that fits their board and fosters accountability. Call Denise Kuprionis at The Governance Solutions Group and use her 20 years of C-suite and in-boardroom experience to give your board a credibility advantage.

Denise Kuprionis • GSG: The Governance Solutions Group • 513.272.8500 • www.gsgboards.com



(215) 620-1350
jane.fludlowcpa.com

Jane F. Ludlow, MBA, CPA provides customized consulting services to corporations in the areas of corporate policy development and implementation, improving the effectiveness of business ethics and compliance programs, board processes and overall corporate governance matters. Among her projects; developing a Conflicts of Interest Compliance Program, including corporate policies and an Internet-based training program for an international pharmaceutical company, developing concise corporate policies for a large publicly-held insurance company and a redesign of all Board and Committee processes for a university alumni association. Earlier, Ms. Ludlow was Executive Director - Corporate Governance of Bell Atlantic Corporation where she was responsible for development and communication of key corporate policies throughout the corporation, and where she managed governance activities related to Bell Atlantic's merger with NYNEX. She has extensive experience in managing board processes, agenda planning, meeting content and logistics and board compensation, and for planning and managing shareholders' meetings.

MORROW SODALI

William Ultan
(203) 658 9449
w.ultan@morrowsodali.com
morrowsodali.com

Board composition, structure and effectiveness are at the top the list of issues that institutional investors and shareholders consider in evaluating portfolio companies. As institutions probe more deeply into corporate culture and purpose, the board of directors is increasingly on the front lines together with management in explaining their standards and how their policies are integral to the company's business strategy.

Morrow Sodali's strategic services help companies evaluate how the board's attributes and policies are perceived by shareholders and proxy advisory firms. To bring greater transparency to board-related issues, Morrow Sodali provides a host of data and insights relating to shareholder voting at the annual meeting, responses from outreach and engagement campaigns, global perspectives from the different countries in which the firm operates, survey results and specific feedback that result from our continuous networking with key institutional investor contacts.



VEACO GROUP
Corporate Governance Advisors

(415) 731-3111
kveaco@veacogroup.com
veacogroup.com

Veaco Group is a corporate governance consulting firm founded by Kristina Veaco in recognition of a need for practical governance support for the boards and senior management of both for-profit and non-profit entities. We have direct and personal experience implementing governance processes and we have worked closely with boards as their trusted advisors as governance consultants and previously in our Corporate Secretary roles. As lawyers we understand boards' fiduciary obligations and the support board members need to meet those obligations. This practical and legal experience sets us apart from many governance consulting firms. We provide independent board evaluations in recognition of the increasing desire of boards to have a trusted third party provider with our particular experience design a process suited to their particular needs and to conduct their annual evaluations.

Our Services include:

- **Board Evaluations/Board Effectiveness Studies**
- **Board Skills Assessments**
- **Governance Audits**
- **Corporate Governance Consulting and Advisory Services**
- **Governance Solutions**

CORPORATE GOVERNANCE CONSULTING

This has been the fastest growing service on the supplier scene these days – both in terms of the number and variety of would-be providers and in terms of the total dollars being spent. The biggest dollars are being spent where there are real, or imagined, or simply theoretically-possible threats from activist investors. Here, the top three or four law firms and investment banking firms are raking in mega-millions - and the sky seems to be the limit when it comes to winning the day if an activist knocks on the door.



AllianceADVISORSllc.com

Alliance Advisors' Governance Advisory Group includes 3 former ISS professionals together with a senior staff of proxy executives who counsel corporations on all governance related matters. Our annual roster of over 400 proxy solicitation clients allows Alliance to stay ahead of the current governance trends along with the ability to maintain up-to-date databases on management and shareholder proposals. We provide research, strategy and consultation on issues including executive and director compensation, board composition, environmental and social proposals, cumulative voting, staggered boards and other takeover defenses.

Our extensive governance consulting work is enhanced by our knowledge of the voting practices of the major institutional investors, the voting returns from retail holders and the policies of the proxy advisory firms. All of this intelligence and our ability to project the vote can serve as a blueprint for an effective proxy solicitation campaign.

CORPORATE GOVERNANCE CONSULTING (CONT'D)



(877) 814-9687
newbusiness@astfinancial.com
astfinancial.com

From the birth of a new company to an IPO – from specialized transactions and activist investors to M&A support - **AST** is a leading provider of ownership data management, analytics and advisory services to public and private companies as well as mutual funds. We offer a comprehensive product set including transfer agency services, employee stock plan administration services, proxy solicitation and advisory services, and bankruptcy claims administration services. Our innovative Issuer Central® platform consolidates registered, street, treasury stock, and insider data into a single solution for a complete view of ownership. AST affiliates include AST Trust Company (Canada), D.F. King & Co, Inc. and Donlin, Recano & Company, Inc. D.F. King is the market leader in corporate proxy solicitation and advisory solutions, corporate governance, shareholder identification, and information services.



Broadridge helps corporate governance professionals simplify shareholder management, efficiently navigate regulatory and compliance requirements and gain further insights about share ownership and voting behavior. Broadridge offers a uniquely flexible and customizable shareholder program.

broadridge.com/corporateissuer

Transfer Agent Services. Broadridge offers a simplified approach to shareholder management, more flexibility based on your unique needs, and more insight into your shareholder base.

Shareholder Communications. Proxy, annual report, and corporate actions and solutions help you communicate effectively with shareholders and efficiently manage the complexities of corporate governance.

Shareholder Data Services. To gain a complete, actionable view of shareholder ownership, voting behavior and results at critical milestones throughout the proxy campaign, Broadridge now offers Shareholder Data Services, a comprehensive reporting package. It uniquely provides a multi-dimensional view of data to deliver an “early warning” detection of potential issues during the campaign; a vote projection analysis based on ownership and voting trends; and historical voting results, including benchmarking data.

Annual Meeting Services. We provide the resources to help you manage the entire annual meeting process — from planning and distribution to vote tabulation and reporting—across all shareholders Virtual, in-person, and hybrid meeting options engage shareholders and offer a full range of voting methods.

A Seamless Proxy Process. Our Registered and Beneficial Shareholder Proxy Solutions remove the burden from you to coordinate multiple vendors. There are no budget surprises and we help you save time and cut costs by consolidating all steps of the process—from planning and distribution to vote tabulation and reporting—across all shareholders.



Each year, DFIN helps more than one-third of the publicly-held companies in North America produce and distribute their proxy materials. This assistance includes content advisory and management, message development, writing and editing, design, web hosting, regulatory filing, printing, and distribution, as well as end-to-end annual meeting services. We deliver thought leadership, best practices and primary research about key audiences, asking the questions that challenge traditional assumptions and enable us to distill the issues about which investors care most.

Ron Schneider
 Director, Corporate Governance Services
 212.341.7593
Ronald.m.schneider@dfsco.com
dfsco.com

Strategic discussions with DFIN's director of corporate governance services help develop a tailored approach to reach shareholders more effectively. During these strategy sessions, we review:

- Past voting results and recent performance
- Goals and objectives for the proxy statement
- Best practices on content, structure, format, design, and document navigation to support the company's goals and objectives

Based on this assessment, we recommend high-impact changes in content, structure, language and design to highlight your company's strengths, achievements and executive compensation alignment and to demonstrate your commitment to good governance and shareholder engagement. Additionally, our designers find solutions that are visually appealing, functionally resilient and strategically sophisticated.

Our financial writers and editors are experts in clarifying core messages and in helping clients articulate their vision, their practices and their performance in plain English. Whether crafting a narrative from scratch or editing existing prose, we work with your executives and legal and compliance professionals to ensure the language in the proxy statement is clear, accessible and useful to the investment community – as it satisfies compliance obligations. Particular focus is given to explaining the relevance of items subject to voting decisions.

- Logically organizing information as it relates to matters up for a shareholder vote
- Eliminating redundant information
- Using a direct, accessible tone
- Eliminating jargon and defining industry terms in plain English
- Streamlining sentence structure and ensuring proper punctuation, grammar, and syntax
- Adding glossaries



Board governance doesn't come in a one-size fits all package. “Best practices” must be adopted in a manner that fits your board's needs and culture. Whether it's gaining an independent perspective on your board's governance practices, learning how to adopt new rules effectively, obtaining a governance “tune-up,” or receiving counsel on a difficult issue, GSG will help your board become more effective. Call Denise Kuprionis at The Governance Solutions Group and use her 20 years of C-suite and in-boardroom experience to give your board a credibility advantage.

Denise Kuprionis • GSG: The Governance Solutions Group • 513.272.8500 • www.gsgboards.com



John Glenn Grau
investor-com.com

The significance of a sound corporate governance policy is unprecedented in today's environment of shareholder activism. In particular, institutions are becoming increasingly active, aggressive and influential shareholders.

Until recently, most institutions were content to remain on the sidelines during annual meeting season, often deferring their vote to management. However, these institutional investors today are now becoming increasingly concerned with the corporate structure and practices of their investments. Moreover, many institutions have established their own proxy guidelines and committees, effectively taking the matter out of the hands of the portfolio manager.

The following is a brief list of what InvestorCom offers clients with our Corporate Governance Consulting service:

- Review of Corporate Governance Practices
- Institutional Shareholder Activism Profiling
- Proxy Voting Recommendation Agency Policy Review

CORPORATE GOVERNANCE CONSULTING (CONT'D)



1407 Broadway
27th Floor
New York, NY 10016
mackenziepartners.com
800-322-2885

MacKenzie Partners, Inc. is a full-service proxy solicitation, investor relations and corporate governance consulting firm specializing in mergers-and-acquisitions related transactions. Our extensive work and experience in corporate control contests keeps us at the forefront of the leading issues in corporate governance and how they affect both management and the investment community.

We provide background research and analyses on shareholder proposals covering a broad area of governance issues, including but not limited to, cumulative voting, director compensation, classified boards, shareholder rights plans and how various institutions tend to vote in these situations. We also counsel management and the Board as to whether a proposal is likely to pass and develop vote projections to support our views.



William Ultan
(203) 658 9449
w.ultan@morrowssodali.com
morrowssodali.com

Through our Corporate Governance Consulting, **Morrow Sodali** provides our clients with insights and updates on governance-related matters on an ongoing basis, including the assessment of best practices and emerging trends as they relate specifically to our client's circumstances. As part of our year-round consulting engagement, we analyze each client's shareholder profile, provide guidance on the full range of compensation and governance matters, and most importantly, anticipate potential corporate governance challenges to minimize the risk of activism. As we assess potential risks from emerging trends or changes in ownership position, we provide strategic, practical and insightful advice to help clients make informed decisions. Our subject matter expertise covers environmental, social and governance (ESG), including sustainability, executive compensation, and board composition and evaluation. In addition to proxy solicitation, our team members have expertise in stock surveillance and executive compensation.

Morrow Sodali is the leading global consultancy providing comprehensive governance and shareholder services to corporate clients around the world. We provide companies and their board of directors with strategic advice and services in corporate governance, capital markets intelligence, shareholder communication and engagement, proxy solicitation, activism and related ownership issues.

With headquarters in New York and London and local offices and partners in ten countries, Morrow Sodali serves more than 700 corporate clients in 40 countries, including many of the world's largest multinational corporations. In addition to listed and private companies, its clients include mutual funds, stock exchanges, membership associations and activist investors.



VEACO GROUP
Corporate Governance Advisors

(415) 731-3111
kveaco@veacogroup.com
veacogroup.com

Veaco Group is a corporate governance consulting firm founded by Kristina Veaco in recognition of a need for practical governance support for the boards and senior management of both for-profit and non-profit entities. We have direct and personal experience implementing governance processes and we have worked closely with boards as their trusted advisors as governance consultants and previously in our Corporate Secretary roles. As lawyers we understand boards' fiduciary obligations and the support board members need to meet those obligations. This practical and legal experience sets us apart from many governance consulting firms. We provide independent board evaluations in recognition of the increasing desire of boards to have a trusted third party provider with our particular experience design a process suited to their particular needs and to conduct their annual evaluations.

Our Services include:

- **Board Evaluations/Board Effectiveness Studies**
- **Board Skills Assessments**
- **Governance Audits**
- **Corporate Governance Consulting and Advisory Services**
- **Governance Solutions**

DATA MANAGEMENT & CONVERSION SERVICES

Many public companies do not realize how much they need data-management, data-conversion-and-consolidation and, above all, "data-optimization services" these days; Services that will OPTIMIZE the many ways that shareholder data is presented and distributed to diverse shareholder audiences...and to overbusy and very impatient readers...



Ron Schneider
Director,
Corporate Governance Services
212.341.7593
Ronald.m.schneider@dfsco.com
dfsco.com

Let **DFIN** transform your proxy from a traditional, SEC compliance document into a visually inviting, compelling communications showpiece that effectively tells your story to your investors. We work with you to identify a style and format that matches your company's unique corporate culture and proxy-related objectives. Financial writers and editors expertly craft narrative from scratch or work with you to edit your existing prose, enhancing readability and satisfying compliance obligations. This is an excellent way to ensure that your proxy statement clearly communicates your unique corporate culture, objectives, and goals to the investment community. Our state-of-the-art hosting platform is mobile ready and SEC-compliant—and unlike many IR sites, our hosted sites have no cookie tracking. We help you simplify communications with investors and tell a better story via images, text, video and graphics.

Our ActiveDisclosure solution helps you collaborate across teams and simplify your reporting process. Our web-based document management tools enable legal, investor relations, and finance teams to create and edit critical sections of the proxy statement, while fully utilizing Microsoft Word and Excel tools for formatting efficiency and version flexibility. With ActiveDisclosure, you can even create a more stylized proxy that delivers greater visual impact.



(212) 461-4328
ellenphilip.com

If your data's in one format and you need it in another we'll build a quick bridge to get you from A to B. Data conversion has always been one of our specialties. We've had hands-on experience with files from every major shareholder record-keeping system in the U.S., and many smaller ones as well. Tell us what you've got, explain where you need to be, and we'll let you know quickly whether we can devise a way to get you there. The route we take might be purely programmatic, or it might include classic, heads-down data entry – a handy and versatile capability that we've preserved carefully for special occasions.

DOCUMENT DESIGN, COMPOSITION & WEB-OPTIMIZATION SERVICES

Badly designed forms lead to added follow-up actions and rework... errors... and agitated phone calls from the 'confused': Please note that the more "choices" shareholder are being offered, the more important it is to make them crystal clear.



Ron Schneider
 Director, Corporate Governance Services
 212.341.7593
Ronald.m.schneider@dfsco.com
dfsco.com

Let **DFIN** transform your proxy from a traditional, SEC compliance document into a more visually inviting, compelling communications showpiece that effectively tells your story to your investors. We work with you to identify a style and format that matches your company's unique corporate culture and proxy-related objectives. Financial writers and editors expertly craft narrative from scratch or work with you to edit your existing prose, enhancing readability and satisfying compliance obligations. This is an excellent way to ensure that your proxy statement clearly communicates your unique corporate culture, objectives, and goals to the investment community. Our state-of-the-art hosting platform is mobile ready and SEC-compliant—unlike many IR sites, our hosted sites have no cookie tracking. We help you simplify communications with investors and tell a better story via images, text, video and graphics.



(212) 461-4328
ellenphilip.com

We're a valuable resource to have in your corner. As independent tabulators we've been part of the shareholder services community for close to 40 years. Our principal focus is on employee plans, not only on regular pass-through voting but on the processes associated with non-routine situations such as proxy contests, tender offers and other corporate actions.

You'll find that we have a blue-chip reputation, that we're flexible and responsive, and that our practices are set to the highest standards.

We work hand in glove with plan trustees, administrators, record keepers, transfer agents and proxy solicitors. We've been through the mill. We understand the detail of the process and we're quick off the mark. We help in planning. Our procedures have withstood challenges over time and meet the highest standards of corporate governance. Ours is a flexible, tailored to your situation service that includes whatever you need in document development and printing and mailing, also a state of the art system for Internet and telephone collection of voting instructions, together with online, real-time tabulations and reports.

EMPLOYEE STOCK OWNERSHIP/PLAN RECORDKEEPING SERVICES

Ten or fifteen years ago, the vast majority of stock option plans covered only the top five or ten people in the firm. And, for that matter, most of the money in 'regular employee' stock ownership plans belonged to the top tier too. Then came the technology boom, and soon, the dot-com boom - and a mad scramble to attract the 'best and brightest' with stock options and awards...and with it, a huge boom in "Global Plans" - where options were issued to all employees - including employees that, increasingly, are located all over the globe.



(877) 814-9687
newbusiness@astfinancial.com
astfinancial.com

From the birth of a new company to an IPO - from specialized transactions and activist investors to M&A support - **AST** is a leading provider of ownership data management, analytics and advisory services to public and private companies as well as mutual funds. We offer a comprehensive product set including transfer agency services, employee stock plan administration services, proxy solicitation and advisory services, and bankruptcy claims administration services. Our innovative Issuer Central® platform consolidates registered, street, treasury stock, and insider data into a single solution for a complete view of ownership. AST affiliates include AST Trust Company (Canada), D.F. King & Co, Inc. and Donlin, Recano & Company, Inc. D.F. King is the market leader in corporate proxy solicitation and advisory solutions, corporate governance, shareholder identification, and information services.



(212) 461-4328
ellenphilip.com

We're a valuable resource to have in your corner. As independent tabulators we've been part of the shareholder services community for close to 40 years. Our principal focus is on employee plans, not only on regular pass-through voting but on the processes associated with non-routine situations such as proxy contests, tender offers and other corporate actions.

You'll find that we have a blue-chip reputation, that we're flexible and responsive, and that our practices are set to the highest standards.

We work hand in glove with plan trustees, administrators, record keepers, transfer agents and proxy solicitors. We've been through the mill. We understand the detail of the process and we're quick off the mark. We help in planning. Our procedures have withstood challenges over time and meet the highest standards of corporate governance. Ours is a flexible, tailored to your situation service that includes whatever you need in document development and printing and mailing, also a state of the art system for Internet and telephone collection of voting instructions, together with online, real-time tabulations and reports.



by Equiniti

We have been providing employee plan administration since 1987. In 2019, we expanded our Equity Compensation Services product, which feature online platforms and the ability to service virtually any plan type. Our equity compensation platforms service 1.2 million global participants. EQ's experts have established some of the industry's most notable partnerships and we understand that no two companies are alike. We pride ourselves on forming a strong partnership with our clients so that we can deliver a customized solution to fit their specific needs. Our best-in-class platforms offer an easy-to-use experience for participants and business intelligence analytics that provide board-level insights in an instant.

Visit equiniti.com or email relationships@equiniti.com for more information

ENTITY MANAGEMENT SYSTEMS

Every public company has some sort of subsidiary or entity “management system” - even if it's like one of those marked-up, paperbound notebooks – or maybe a box of file-folders - that many colleagues have sheepishly admitted to using as their only system.

If you are one of those companies – or even if you have what you think is a good system, but you haven't made a careful assessment of all the records you may have on file – and how many may be “dead” or “dirty” data elements, it's high time for a checkup, we'd advise. There is robust competition among service providers these days, which can help you get a lot more for your money – along with a lot of valuable help in getting your records into shape.



We are the business behind business.®

CSC is the preferred solutions provider for 90% of the Fortune 500®, half of the Best Global Brands (Interbrand®), nearly 10,000 law firms, and more than 3,000 financial organizations.

Effective entity management requires service and software; the right technology is vital. CSC Entity ManagementSM is a secure, powerful, and user-friendly software solution for all your entity compliance needs.

Named Best Entity Management System by readers of the New York Law Journal for the last 10 years, CSC Entity Management is the industry's most reliable entity management software for corporate legal departments, compliance professionals, and business owners. You'll get a clear view of your company-wide governance and compliance activities, as well as valuable insight into the health and status of all your entities.

CSC Entity Management makes it easy to:

- Organize your unique corporate data
- Generate strategic reports for auditing, entity tracking, and decision-making purposes
- Control access to sensitive information and allow for unlimited collaboration
- Create electronic minute books and manage unlimited documents with automated full-text searching
- Maintain sensitive officer and director information by entity
- Automate the creation of organization charts
- Manage stock and shareholder information
- Manage your “Doing Business As” portfolio at all jurisdiction levels
- Improve transparency for compliance activities through automated compliance reminders
- Leverage complete data and document integration with CSC's Registered Agent service

FINANCIAL PRINTING

Since we did our first review of products, services and service-providers in 2007 the universe of financial printers has shrunk by more than half. This has been mostly due to a dramatic drop in demand for printed matter, thanks to the growing use of Notice and Access – but also to an ever-growing belief that the web is the best – and certainly the fastest and the cheapest place from which to disseminate important corporate info...And, of course, you can't not be there. The corporate imperative to constantly reduce costs has been yet another major driver of shrinking demand.



Capitalize on true end-to-end service, from disclosure composition, EDGAR and SEC filing to document design and virtual data room. One vendor provides for greater accountability, transparency and cost savings. Plus, hands-on delivery gives you maximum control at every step.

Let us help you prepare and file SEC documents quickly and accurately with our lightning-fast composition platform. Our proprietary system processes routine tasks at the click of a mouse and seamlessly exports into HTML, EDGAR, print and web ready PDFs and Word. Automatic blacklining, repagination and TOC updates accelerate execution and eliminate associated per-page costs. Alternatively, leverage our self-service filing software solution to generate, complete, review and file financial statements and other SEC forms securely in minutes.

Select our advanced EDGAR filing software or outsource everything to Broadridge experts. You decide how much or how little of the process to manage on your own.



Ron Schneider
Director Corporate Governance Services
212.341.7593
Ronald.m.schneider@dfsco.com
dfsco.com

DFIN is dedicated to service. Our global, 24/7/365 customer-service team is available whenever and wherever you need help. Each client is assigned an experienced deal manager to serve as your “go-to” person for all questions and concerns, ensuring there are no surprises around document specifications, costs, or deadlines. Our EDGAR filing experts are unmatched in their regulatory knowledge and sustained record of filing accuracy. In fact, DFIN handles more than 160,000 EDGAR filings each year—more than any other filing agent. Leverage our global network of manufacturing locations, including digital presses, for quick-turnaround projects, premium color services, state-of-the-art technology, and expansive logistics services. We own our facilities, and our service team ensures your documents are produced accurately and delivered on time.

FOREIGN SUBSIDIARY MANAGEMENT

Ten years ago, this item was barely on the radar screens of most U.S. companies. But as we predicted way back then, “globalization” is no longer a concept, or an aspiration, or mostly marketing fluff – it is now a big part of our everyday workaday world. The good news is that there are several firms that are really GOOD at this – that have excellent systems and procedures in place to keep your corporate records up to date, and that have local resources ‘on the ground’ and fully up-to-speed and up-to-snuff when it comes to keeping all your foreign subsidiaries fully compliant.



cscglobal.com
1-800-927-9800

We are the business behind business.®

CSC is the preferred solutions provider for 90% of the Fortune 500®, half of the Best Global Brands (Interbrand®), nearly 10,000 law firms, and more than 3,000 financial organizations.

Partner with CSC® to simplify and centralize the complexities associated with global corporate governance. CSC Global Subsidiary Management combines corporate secretarial services in 140 global jurisdictions and the award-winning CSC Entity ManagementSM platform into one solution for managing your compliance globally.

CSC takes a proactive approach to managing your subsidiaries' compliance obligations effectively, efficiently, and centrally from our U.S. headquarters.

CSC can help you:

- Proactively manage your corporate secretarial responsibilities for your company's global registrations and renewals
- Prepare dual-language annual general meeting documents
- Conduct annual statutory filings with company registries (excluding tax returns)
- Maintain your company shareholder register and minute books
- Track your many compliance deadlines
- Support ad hoc transactions, including but not limited to, officer and director changes, powers of attorney, board and shareholder resolutions, entity formations and dissolutions, and more

INSPECTORS OF ELECTION

Virtually every public company is required by their State charter, or by their bylaws, to have one or more Inspectors of Election to oversee and certify the voting at their annual meetings. A majority of companies still tend to use their transfer agents to do this, or to do it themselves - but over the past five years, more and more companies are looking for Inspectors who are completely independent.



Inspectors-of-Election.com

If you think you may have matters on your shareholder meeting ballot where the outcomes could turn out to be close or contentious... If investors are voting on one or more “material items” – like a merger, recapitalization or a bylaw change that requires shareholder approval... If you simply want to follow “best practices” when it comes to ‘inspecting the election’ and certifying the final results... If you want to be sure that any firm or individual inspector that you and your board appoint has rigorous procedures in place – and actually follows them – and that the inspector(s) can stand up and be effectively counted themselves if challenged...

Please think about having one or more expert and truly independent Inspectors as a part of your company's official shareholder meeting team.



We provide inspector-of-election services and final vote certification, as well as on-site support for any needs that may arise during your meeting from quorum monitoring to in-person voting. You can rely on us to determine that ballots were properly cast, and announce the results at the appropriate time.

Ron Schneider - Director Corporate Governance Services
212.341.7593 • Ronald.m.schneider@dfsco.com • dfsco.com

NOTICE & ACCESS SUPPORT SERVICES

The “Notice and Access system” has saved literally billions of dollars for public companies to date, by eliminating hundreds of thousands of tons of printed shareholder meeting materials and millions of dollars in postage each year.



Broadridge supports all proxy communications options, including Notice and Access. We will work with you to determine which distribution model offers the greatest combination of benefits for your particular situation. Many issuers will choose a hybrid approach, sending full • packages to certain shareowners, while sending the Notice to others.

broadridge.com/corporateissuer

In addition to creating an individualized project plan, timeline analysis and notice design, print and mailing, your Broadridge representative will help you determine the breadth of services you require for implementing Notice and Access, which may include:

- Annual Report and Proxy Statement conversions with enhanced interactive navigation for an improved user experience
- Customized shareowner landing page and portal
- Web hosting
- Inventory management, warehousing and fulfillment
- Online options to collect shareowner future delivery

preferences; paper or electronic

- Cost benefit analysis
- Customizable Notice templates and forms
- Windowed notice envelopes that can showcase colorful, double-sided inserts with messaging customized to your needs
- Voting through proxyvote@broadridge.com for beneficial, registered and employee shareowners
- Shareowner stratification analysis based on shares, geographic region and voting criteria
- Pre-record date shareowner mailing to identify paper or electronic delivery preference

NOTICE & ACCESS SUPPORT SERVICES (CONT'D)



Notice & Access made easy

Harness the Donnelley Financial Solutions regulatory expertise, service excellence and online toolset to simplify your annual meeting process, help you better connect with your shareholders, and take full advantage of the SEC's Notice & Access rule.

Harness the Donnelley Financial Solutions regulatory expertise, service excellence and online toolset to simplify your annual meeting process, help you better connect with your shareholders, and take full advantage of the SEC's Notice & Access rule.

Ron Schneider
Director, Corporate Governance Services
212.341.7593
Ronald.m.schneider@dfsco.com
dfsco.com

A single point of contact throughout your proxy event streamlines the process.

- A dedicated project manager partners with all members of the working group to expertly manage every aspect of the issuer's event, and determine quantities and requirements under the Notice & Access rule
- Comprehensive checklists, calendar and project plans are in place to manage each task through completion, provide clear communication throughout the process, and help you meet required deadlines
- Assistance composing the Notice of Internet Availability, mailing and merging shareholder records, printing personalized copies and hosting the materials, along with providing the platform for fulfilling full-set proxy requests from shareholders
- Custom-branded electronic voting and document-hosting sites enhance your shareholder communications
- Branded sites reflect an issuer's image and corporate profile and complement the stylized proxy
- Custom-hosting sites are SEC-compliant, touch/tablet enabled, and designed to auto-fit wide screens, and link to social media and voting sites; they also include interactive components, such as visual image sliders, tabbed panels, reminder/info fly-outs, embedded video, and Google maps
- Telephone voting services include a dedicated 1-800 number with a customized greeting
- Real-time, online reporting provides up-to-the-minute updates and an evaluation of voting results
- Master tabulator services included
- Choice to log in to the online tabulation tool or receive scheduled reports via email
- Online system reflects both voted and un-voted results

OUTSIDE COUNSEL



jbordenlaw.com
(617) 334-7744

Borden Consulting Group, LLC's attorneys have specialized in all facets of unclaimed property law, including audit defense, litigation, compliance and consulting for more than twenty years. Due to the often conflicting demands of regulators and auditors, the practice has expanded to regulatory compliance for the securities, electronic payments and insurance industries. Counsel regularly develops strategies to communicate with lost owners, defends multi-state audits and advises clients on all elements of the complex area of escheat law, while bringing to bear significant experience in the proxy process which is used to protect shareholders and mitigate escheatment risk.



917.596.2955
jlgassociates.com

Jeremy L. Goldstein is a partner at Jeremy L. Goldstein & Associates LLC, a boutique law firm dedicated to advising compensation committees, CEOs, management teams and corporations in executive compensation and corporate governance matters, particularly as such issues arise in the context of transformative corporate events and sensitive situations. Prior to founding his own firm, Mr. Goldstein was a partner at a large New York law firm and has been involved in many of the largest corporate transactions of the past decade.

Mr. Goldstein is chair of the Mergers & Acquisition Subcommittee of the Executive Compensation Committee of the American Bar Association Business Section. He writes and speaks frequently on corporate governance and executive compensation issues and is listed as a leading executive compensation lawyer in Chambers USA Guide to America's Leading Lawyers for Business and The Legal 500. In addition, Mr. Goldstein is a member of the Professional Advisory Board of the NYU Journal of Law and Business and a member of the Board of Directors of Fountain House, a charity dedicated to the recovery of men and women with mental illness. Mr. Goldstein has a J.D. from New York University School of Law, an M.A. from the University of Chicago and a B.A. cum laude and with distinction in all subjects from Cornell University.



Merrill B. Stone • Partner
(212) 808-7543
mstone@kelleydrye.com

Kelley Drye Warren LLP is an international law firm with more than 300 lawyers and professionals practicing in seven offices throughout the United States, Brussels, Belgium, and an affiliate office in Mumbai, India. We assist clients in accomplishing their business goals by providing practical legal advice and solutions in more than 30 areas of the law. We are proud of the long-term relationships established with clients. These are based on the principles of delivering efficient service, right-sized staffing, the use of state-of-the-art technology and acting as trusted partners of our clients.

Kelley Drye's National Corporate Practice Group understands the fundamental principles of helping clients facilitate complex transactions and protecting the value of our clients' deals. We focus on understanding clients' business goals and strategies while simultaneously navigating industry issues and regulatory challenges. Coupled with our strong legal acumen, we bring meaningful strength and a strong bench of seasoned corporate attorneys with significant experience in mergers & acquisitions, private equity & venture capital, emerging companies, capital markets & securities, finance & lending, corporate governance and investor relations, as well as other niche areas such as corporate trust, SBIA funds, and public-private partnerships.



KAI HAAKON E. LIEKEFETT
Partner and Co-Chair,
Shareholder Activism Practice

SIDLEY AUSTIN LLP tops all activism defense league tables, including the No. 1 rankings by Bloomberg, FactSet and Activist Insight for 2020. In the past five years, Sidley's team members have led more than 70 proxy contest defenses, more than any other law firm in the world. Sidley is frequently hired as "activism counsel" or "proxy fight counsel" to work with regular outside counsel on these matters.

+1 212 839 8744 (office) | +1 646 256 8315 (cell) | kliekefett@sidley.com | www.sidley.com



PROXY DISTRIBUTION & VOTE TABULATION SERVICES

Stop number-one for public companies these days is Broadridge Financial Solutions— which distributes proxy materials and voting instruction forms (VIFs) - and tabulates and reports on them for virtually the entire “street-name” universe of shareholders. (They have a couple of small competitors who work with a handful of brokers - and a handful of those pesky “respondent banks” still need dealing with as well, but these are mostly minor matters, which Broadridge mostly handles for you too, in a relatively seamless fashion.)

For most companies, their transfer agent is an equally important stop, since they have the files of the “registered” shareholders - and many companies still rely on them, as they did traditionally, for mailing, tabulation and inspection services.



broadridge.com/corporateissuer

Broadridge provides companies with the strategic approach they need to effectively reach both registered and beneficial shareholders. We uniquely have the capabilities to cover all of the details of your proxy distribution

- from initial planning through proxy mailing to vote tabulation and reporting of your annual meeting — while you focus on increasing investor confidence and reducing your bottom line.

Simplify your experience by letting Broadridge manage your proxy process. One point of contact advises you from start to finish.

Move your communications quickly and get them into the hands of shareholders efficiently and accurately. Our complete distribution/mailling services include duplicate proxy card detection, and high speed insertion technology.

Reduce processing and mailing expenses by combining ballots that are mailed to a common address into one envelope, or by merging several accounts onto one document to one address.

Save money with Broadridge's electronic delivery technology. Broadridge can gather and maintain your shareholder consents for both householding and electronic delivery.

As the largest processor of beneficial proxies for publicly traded companies in the U.S., Broadridge process over 2 billion in investor communications annually — more than 80% of all outstanding shares voted in the United States

For those issuers utilizing Broadridge for both the registered and the beneficial shareholders for their proxy mailings, we provide complete vote tabulation and reporting services. Using Broadridge as your tabulator will ensure that you have fully reconciled and audited vote reports delivered on time, on a daily basis, covering the registered, beneficial and employee shareholder segments.

Our services include:

- **Transfer Agent Services.** Broadridge offers a simplified approach to shareholder management, more flexibility based on your unique needs, and more insight into your shareholder base.
- **Shareholder Communications.** Proxy, annual report, and corporate actions and solutions help you communicate effectively with shareholders and efficiently manage the complexities of corporate governance.
- **Shareholder Data Services.** To gain a complete, actionable view of shareholder ownership, voting behavior and results at critical milestones throughout the proxy campaign, Broadridge now offers Shareholder Data Services, a comprehensive reporting package. It uniquely provides a multi-dimensional view of data to deliver an “early warning” detection of potential issues during the campaign; a vote projection analysis based on ownership and voting trends; and historical voting results, including benchmarking data.
- **Annual Meeting Services.** We provide the resources to help you manage the entire annual meeting process — from planning and distribution to vote tabulation and reporting—across all shareholders Virtual, in-person, and hybrid meeting options engage shareholders and offer a full range of voting methods.
- **A Seamless Proxy Process.** Our Registered and Beneficial Shareholder Proxy Solutions remove the burden from you to coordinate multiple vendors. There are no budget surprises and we help you save time and cut costs by consolidating all steps of the process—from planning and distribution to vote tabulation and reporting—across all shareholders.



Ron Schneider
 Director,
 Corporate Governance Services
 212.341.7593
Ronald.m.schneider@dfsco.com
dfsco.com

DFIN provides an unrivaled, networked print platform, delivering world-class service across the globe with distribution capabilities to match. We are also committed to meeting your proxy statement needs, including color printing, separate covers and the utilization of special paper stock, in a timely, accurate and efficient manner.

Extensive Print Capabilities

With a large stable of print equipment, ranging from high-speed digital to digital on-demand, sheet-feed, cold and heat set web, engraving and ink-jet print, we match the appropriate print asset to your specific needs.

Fulfillment Capabilities

Our comprehensive suite of fulfillment services includes digital print on demand, automated insertions, custom kitting and assembly, pick and pack, e-delivery and warehousing services.

Sustainability Initiatives

DFIN does our part to reduce, reuse and recycle. Our FSC- (Forest Stewardship Council-) certified plants help companies easily execute eco-friendly plans without having to trade cost effectiveness for being environmentally friendly.

Custom-branded electronic voting and document-hosting sites enhance your shareholder communications:

- Branded sites reflect an issuer's image and corporate profile and complement the stylized proxy
- Custom-hosting sites are SEC-compliant, touch/tablet enabled, and designed to auto-fit wide screens and link to social media and voting sites. These sites include interactive components, such as visual image sliders, tabbed panels, reminder/info fly-outs, embedded video, and Google maps
- Interactive documents have enhanced functionality for easy navigation, full-search capabilities and access on all devices for download, email and print
- Telephone voting services include a dedicated 1-800 number with a customized greeting
- Real-time, online reporting provides up-to-the-minute updates and an evaluation of voting results:
- Master tabulator services included
- The Meeting Information Center, which is our fully-integrated voting platform, immediately consolidates Internet, telephone and paper votes into a single database, including outside feeds from proxy solicitors
- Capability to log in to the online tabulation tool or receive scheduled reports via email
- Online system reflects both voted and un-voted results
- Proxy tabulation services require the use of the DFIN-style proxy card.

PROXY SOLICITORS & ADVISORS

Not so many years ago we were almost ready to declare this a dying industry: The last thing that anyone wanted – whether they were a big institutional investor or a nice Mom or Pop, sitting down to dinner or the TV – was to have their proxy “solicited” by an old-time proxy chaser.



Alliance Advisors' is a multi-faceted shareholder communications and governance advisory firm specializing in proxy solicitation, corporate governance consulting, proxy contests, market surveillance and proxy management. We are an independent, management-owned firm that provides our clientele with year-round consultation and analysis of institutional investors, the proxy advisory firms as well as the ever-changing governance and activist landscape.

Founded in 2005, Alliance has an extensive client roster of more than 400 corporate clients, which includes some of the most prestigious names in American business. We distinguish our firm by having a staff of senior proxy executives, former professionals from ISS and a complimentary suite of products and services. Alliance has vast expertise in dealing with all proxy issues and corporate transactions including: executive compensation, contested elections, mergers, shareholder proposals and corporate governance. Our success is based on a combination of our dedicated professionals, sophisticated databases, unmatched service and the firm's collective commitment to flawless execution.



From the birth of a new company to an IPO – from specialized transactions and activist investors to M&A support - **AST** is a leading provider of ownership data management, analytics and advisory services to public and private companies as well as mutual funds. We offer a comprehensive product set including transfer agency services, employee stock plan administration services, proxy solicitation and advisory services, and bankruptcy claims administration services. Our innovative Issuer Central® platform consolidates registered, street, treasury stock, and insider data into a single solution for a complete view of ownership. AST affiliates include AST Trust Company (Canada), D.F. King & Co, Inc. and Donlin, Recano & Company, Inc. D.F. King is the market leader in corporate proxy solicitation and advisory solutions, corporate governance, shareholder identification, and information services.



John Glenn Grau
investor-com.com

There are now virtually dozens of crucial steps that need to be performed in order to maximize voter response at even the most “routine” Annual Meeting. InvestorCom is well positioned to address each of its client's particular needs given the direct involvement of its senior management team in every solicitation and the aggressive, “hands-on” approach it employs. InvestorCom's Proxy Solicitation division combines forces with its Stock Surveillance and Corporate Governance Advisory divisions to identify institutional investors, analyze each institution's voting tendencies based on management's proposals, and develop and implement a strategy that will maximize shareholder voting and provide the best opportunity for passage of all management sponsored proposals.

The following is a brief list of what we offer with our Proxy Solicitation service:

- Corporate Proxy Solicitation and Consulting
- Shareholder Proposal Analysis and Management Proposal Development
- Proxy Fights
- Logistical Support



The **Laurel Hill Advisory Group** is North America's only independent cross border Shareholder Communications Advisory Firm. When a response from a shareholder base is required -whether as simple as a routine meeting or as complex as a hostile take-over or addressing escheatment matters, Laurel Hill makes certain the required response is attained.

On both sides of the border we are regularly engaged in high profile, complex and contentious situations involving M&A, restructuring, and corporate governance issues.

Our team's experience includes the best proxy fight win record of any firm since our inception eight years ago. Our independence means we focus solely on serving our clients interests as we are not subject to the conflicts that arise within other proxy firms, which have transfer agent ownership.

Cross border operations allow us to effectively reach shareholders regardless of their location – Canada, the US or globally. We have offices throughout North America, giving our clients first rate cross border capabilities that specialize in contested or annual meeting solicitation, information agent services, Mergers and Acquisitions, special meeting solicitation and shareholder asset recovery programs.

We also provide Depository and Escrow services. Our state of the art Asset Recovery Center provides the ability to reach retail shareholders in an efficient and controlled manner. We believe that public issuers need to be proactive rather than reactive. If you agree, give us a call.



MacKenzie Partners, Inc. is a full-service proxy solicitation, investor relations and corporate governance consulting firm specializing in mergers-and-acquisitions related transactions. MacKenzie's Proxy Solicitation and Mergers & Acquisitions Services Group provides advisory and execution services for annual and special meetings and in corporate control contests - such as unsolicited tender offers, proxy fights and consent contests.

Annual & Special Meetings - In our work with annual and special meeting proxy solicitation clients, MacKenzie Partners is often asked for an analysis and recommendation regarding the probability of passing specific proposals, and for the development of the most cost effective solicitation campaign that ensures a successful outcome.

Proxy Contests - Whether we advise a dissident shareholder or incumbent management, one of our key strategic roles is to frame the issues and shape the message to be delivered to a company's shareholders. The goal is to convince shareholders to vote their proxies in favor of our client and against the opponent.

We also provide advice regarding the timing of proxy material mailings, press releases and advertising to receive maximum impact, to respond to the oppositions' communications with counter-arguments, and to try to “get in the last word” before the annual meeting takes place.

PROXY SOLICITORS & ADVISORS (CONT'D)

MORROW SODALI

William Ultan
(203) 658 9449

w.ultan@morrowsodali.com
morrowsodali.com

The cornerstone of a successful solicitation is viewing it as a year-round commitment. Our seasoned staff has extensive experience which enables us to devise and implement customized solutions for your organization's unique requirements. Our dedicated teams handle all aspects of your solicitation. We begin with an analysis of your shareholder profile and follow that with a thorough review of your preliminary proxy statement with a particular focus on identifying potential issues with proxy advisory firms. We provide full logistical support as well as continual updates throughout the solicitation. Combining our global reach and years of experience, we furnish our clients with information on corporate governance, SEC and SRO rule changes, and emerging governance issues in real-time.

Morrow Sodali is the leading global consultancy providing comprehensive governance and shareholder services to corporate clients around the world. We provide companies and their board of directors with strategic advice and services in corporate governance, capital markets intelligence, shareholder communication and engagement, proxy solicitation, activism and related ownership issues.

With headquarters in New York and London and local offices and partners in ten countries, Morrow Sodali serves more than 700 corporate clients in 40 countries, including many of the world's largest multinational corporations. In addition to listed and private companies, its clients include mutual funds, stock exchanges, membership associations and activist investors.

REORG SERVICES

Here's what we wrote in our 2007 issue on "Essential Tools": "What a big boom there's been of late in 'corporate reorganizations' and in other deals that are known as 'reorg jobs'...like spin-offs, mergers and acquisitions, Dutch Auction Tenders and multi-billion dollar long-term stock- buyback programs."

And now – wow – these days, reorg-jobs are consistently at or near all-time-high levels. And many of the biggest deals of all are international or even multi-national ones, which greatly adds to the complexities - and to the risks.



laurelhill.com
(516) 933-3100

The **Laurel Hill Advisory Group** is North America's only independent cross border Shareholder Communications Advisory Firm. When a response from a shareholder base is required -whether as simple as a routine meeting or as complex as a hostile takeover or addressing escheatment matters, Laurel Hill makes certain the required response is attained.

On both sides of the border we are regularly engaged in high profile, complex and contentious situations involving M&A, restructuring, and corporate governance issues, giving our clients first rate cross border capabilities that specialize in contested or annual meeting solicitation, information agent services, Mergers and Acquisitions, special meeting solicitation and shareholder asset recovery programs. We also provide Depository and Escrow services.

We believe that public issuers need to be proactive rather than reactive. If you agree, give us a call.



1407 Broadway
27th Floor
New York, NY 10016
mackenziepartners.com
800-322-2885

MacKenzie Partners, Inc. is a full-service proxy solicitation, investor relations and corporate governance consulting firm specializing in mergers-and-acquisitions related transactions.

We are called upon frequently to apply our expertise and capabilities in tender and exchange offers and proxy solicitations for clients who wish to have their investors or creditors participate in a restructuring of the company. This type of project also frequently involves the skills we employ in our securityholder identification and market surveillance work.

The 1980's and the 1990's generated companies that needed to be restructured and the lessons learned from those situations are being used to solve these new recent problems. This constantly evolving dynamic field requires a proxy solicitation firm at the forefront of these developments.

MacKenzie Partners has been involved in some of the most complex and difficult reorganizations over the past nine years. In our work in this area, we are utilized to solicit approvals for proposed or competing restructuring plans from one or more classes of creditors as well as security holders.

SHAREHOLDER ID & STOCK WATCH

We have been a consistent booster of shareholder identification programs from our very first issue: It's simple: You cannot possibly communicate with investors effectively if you don't know who they are...and what their top issues are.



AllianceAdvisorsllc.com

Market Surveillance by **Alliance Advisors** provides corporations with a clear grasp of the capital markets, in-depth knowledge of the investment community and enhances their overall investor relations efforts. This program provides our clients with a thorough understanding of who owns their stock and the institutional investors that are buying and selling on a real-time basis. Our Senior Analysts possess the knowledge and resources to uncover major position changes by utilizing our comprehensive database of institutional and custodian data, investor profiles and proxy process methodology.

Alliance also offers a cost-effective Ownership Insight program which is a weekly reporting service for the investor relations officer to keep track of the ownership changes within the shareholder base. Rather than depending on stale 13F data, the report provides institutional positions changes, stock performance, share flow analysis, activist warning and the influence of the proxy advisory firms.

SHAREHOLDER ID & STOCK WATCH (CONT'D)



(877) 814-9687
newbusiness@astfinancial.com
astfinancial.com

From the birth of a new company to an IPO – from specialized transactions and activist investors to M&A support - **AST** is a leading provider of ownership data management, analytics and advisory services to public and private companies as well as mutual funds. We offer a comprehensive product set including transfer agency services, employee stock plan administration services, proxy solicitation and advisory services, and bankruptcy claims administration services. Our innovative Issuer Central® platform consolidates registered, street, treasury stock, and insider data into a single solution for a complete view of ownership. AST affiliates include AST Trust Company (Canada), D.F. King & Co, Inc. and Donlin, Recano & Company, Inc. D.F. King is the market leader in corporate proxy solicitation and advisory solutions, corporate governance, shareholder identification, and information services.



John Glenn Grau
investor-com.com

InvestorCom recognizes the link between the knowledge of shareholders and their trading behavior, and the effectiveness in being able to communicate with them. Our ability to timely and accurately identify “who” owns stock and “why” trading activity is occurring allows InvestorCom to provide clients with the highest level of market insight and the ability to look far beyond the mask of shares held in “street” name. At InvestorCom this is what we call “Shareholder Intelligence.” Simply stated, it’s the knowledge of who currently owns your stock, what their motivation is for trading in your stock, and, of equal importance, how to act on this information.

The following is a brief list of what we offer with our Stock Surveillance service:

- Daily Monitoring and Reporting
- Weekly Trading Memos
- Executive Monthly Summary
- Shareholder Profiles
- Institutional Targeting



GERRY DAVIS
 (203) 658 9377
g.davis@morrrowsodali.com
morrrowsodali.com

Morrow Sodali has extensive experience providing Strategic Stock Surveillance for our corporate clients. Since our inception over 40 years ago, Morrow Sodali has been helping clients by combining superior data analysis and technology with strategic consulting to assess institutional ownership. Our stock surveillance experts monitor your stock, all day, every day, and track critical movements with real-time trading analytics. With emphasis on block trades and an intimate knowledge of trading activity, we provide a deep level of insight backed by years of experience tracking and analyzing stock movements, including activist accumulations, institutional sell-offs, short selling as well as other unique and often nuanced situations that result in stock price fluctuations. We monitor stock trading activity for companies of all sizes – from nano-cap to mega-cap – and take into account the trading patterns and context of companies within certain market capitalization parameters.

Morrow Sodali is the leading global consultancy providing comprehensive governance and shareholder services to corporate clients around the world. We provide companies and their board of directors with strategic advice and services in corporate governance, capital markets intelligence, shareholder communication and engagement, proxy solicitation, activism and related ownership issues.

With headquarters in New York and London and local offices and partners in ten countries, Morrow Sodali serves more than 700 corporate clients in 40 countries, including many of the world’s largest multinational corporations. In addition to listed and private companies, its clients include mutual funds, stock exchanges, membership associations and activist investors.

STOCK TRANSFER AGENTS & AGENCY SERVICES

Transfer agents take a lot of heat – from shareholders – and from their clients too (though, after all, that’s what you really pay them to do) – and sometimes from the Optimizer as well. But if you stop to think about it, you’ll realize that they probably wield more tools on your behalf than any other supplier you have.

These businesses have been undergoing a massive consolidation for over ten years now – driven mainly by dramatically falling unit volumes as older shareholders pass away and/or otherwise migrate to ‘street-name’ - and more and more old-time companies, with large numbers of retail investors pass away too in the M&A and Chapter-10 games. The result; a do-or-die competitive environment.



(877) 814-9687
newbusiness@astfinancial.com
astfinancial.com

From the birth of a new company to an IPO – from specialized transactions and activist investors to M&A support - **AST** is a leading provider of ownership data management, analytics and advisory services to public and private companies as well as mutual funds. We offer a comprehensive product set including transfer agency services, employee stock plan administration services, proxy solicitation and advisory services, and bankruptcy claims administration services. Our innovative Issuer Central® platform consolidates registered, street, treasury stock, and insider data into a single solution for a complete view of ownership. AST affiliates include AST Trust Company (Canada), D.F. King & Co, Inc. and Donlin, Recano & Company, Inc. D.F. King is the market leader in corporate proxy solicitation and advisory solutions, corporate governance, shareholder identification, and information services.

STOCK TRANSFER AGENTS & AGENCY SERVICES (CONT'D)



It's time to take a fresh look at your Transfer Agent program and make sure you're getting the most out of it. You want a partner that can handle all your shareholder communication needs. One that taps into opportunities to create efficiencies and increase engagement with your shareholders. One that offers you a more simplified approach, more flexibility based on your needs, and more insight into your shareholder base. That partner is Broadridge.

broadridge.com/corporateissuer

Get the most out of a Transfer Agent relationship with Broadridge:

A single source solution tailored to your needs from the only Transfer Agent that can support both beneficial and registered shareholders.

Superior shareholder and client service with a dedicated Relationship Management Team, Broadridge-staffed and US-based Call Center, and a secure, easy-to-use portal that offers unique features such as client alerts.

A customizable Shareholder Portal that offers everything your shareholders need to access and manage their accounts - personalized with your branding to differentiate your company and enhance loyalty.

A secure, proven onboarding process that provides a smooth transition and creates opportunities for long-term improvement.

Timely data and analysis that reveal insights and opportunities to gain efficiencies, reduce your costs and tailor your communication strategies.

Fully transparent contracts with no hidden clauses and no costly penalties. Just a clear, easy-to-understand contract.

50 years' experience helping companies realize efficiencies and plan for the future.



cis.computershare.com

Computershare is the world's foremost provider of shareholder services to public and private companies. Our team offers global expertise, responsive client service and innovative technology, as well as a comprehensive suite of products and services designed to help our issuer clients achieve their corporate objectives. Trusted by more than 6,000 U.S. companies representing 19 million shareholder accounts, our proven solutions put our clients' and their stakeholders' needs first.



CSC

cscglobal.com
1-800-927-9800

We are the business behind business.®

CSC is the preferred solutions provider for 90% of the Fortune 500®, half of the Best Global Brands (Interbrand®), nearly 10,000 law firms, and more than 3,000 financial organizations.

With CSC® as your registered agent, you can expect:

- **Reliability:** Same-day scanning and electronic delivery of service of process (SOP) documents, with online tracking and proof of delivery. We guarantee a quick and reliable delivery every time, no matter where you're located.
- **Technology:** We offer unmatched technology to support your registered agent and corporate services needs. Our SOP ManagerSM solution will open up a new world of efficiencies, cost savings, and reduced risk. All SOP is optimized for full-text searching. Our CSCNavigator® platform provides the power of integration between your day-to-day transactions and your entity data.
- **Service:** CSC delivers a customized service and support structure designed specifically to meet the needs of your legal team and reduce the complexities associated with conducting business. Plus—we never outsource to a third party.
- **Security:** All applications and data maintained on CSC servers, networks, and data storage systems are located within an ISO 27001-certified and Service Organization Control (SOC)-audited co-location hosting facility in Ashburn, Virginia, with a secondary CSC-owned facility in Springfield, Illinois.
- **Savings:** We offer no-hassle, no-charge change-of-agent services to all of our clients.



Rated the most trusted transfer agent in Group Five's 2020 Shareholder Benchmarking Survey, EQ provides transfer agent, equity compensation and ownership solutions that help companies reduce risk, realize efficiencies and improve shareholder experiences. We've been helping the world's leading brands raise capital, incentivize employees and service shareholders while staying compliant since 1929.

In the U.S., EQ is responsible for five million shareholders, and together with Equiniti Group plc, we support nearly 23 million shareholders worldwide, issuing more than \$380 billion in payments each year across the globe. EQ's purpose is to care for every customer and simplify each and every transaction, delivering the highest levels of service through an effortless and enjoyable experience.

EQ is a part of Equiniti Group plc, listed on the London Stock Exchange, delivering payments, administration and technology services to organizations globally.

Visit equiniti.com or email relationships@equiniti.com for more information

LIST YOUR SERVICE & GET OPTIMIZED!

LIST YOUR COMPANY IN THE OPTIMIZER'S INDEX OF PRE-VETTED SUPPLIERS OF ESSENTIAL PRODUCTS AND SERVICES TO PUBLICLY-TRADED COMPANIES

Published in the year-end **OPTIMIZER** Magazine and on the website OptimizerOnline.com for 1 Year. Each Custom Directory Listing will include your company logo, 250 words description of your expertise in each category, contact info., and website address that will be activated online.

Visit OptimizerOnline.com/advertise to learn more

