

SAVING MONEY – AND THE ENVIRONMENT – THROUGH NOTICE AND ACCESS

> FORTUNE 200 TECHNOLOGY COMPANY

CASE STUDY

In 2007, the SEC adopted new “notice and access” rules, allowing companies to post proxy materials to the Internet and to send holders a brief notice directing them to the materials.

Computershare's first large client to take advantage of the new rules was a Fortune 200 technology company. The company was eager to use notice and access not only to reduce printing and mailing costs, but also because the new rules align directly with their commitment to promoting Internet solutions and minimizing environmental impacts.

CHALLENGE

Several key variables needed to be taken into account. First, our client needed to determine the best, and most cost-effective, approach for both its registered and beneficial (“street”) holders – investigating and comparing each provider’s specific notice-and-access services and fees.

Second, although holders would receive a notice directing them to the Internet to view their annual meeting materials, the rules require issuers (or their agents) to send copies to holders upon request – within three business days. There would have to be enough paper copies on hand to satisfy requirements for printed copies, without excess printing and warehousing of materials.

Finally, votes were needed for key items to be approved and to achieve a quorum. Ordinarily, Computershare would recommend that issuers initially use notice and access for routine meetings, to minimize the risk that votes would be lacking for key items. But our client was committed to proceeding, although the company’s ballot had several non-routine items. Because this would be a new process for shareholders, as well as for the company, clarity of communication was vital.

SOLUTION

Our client chose Computershare to handle notice and access for registered holders as a natural add-on to Computershare’s annual meeting services.

The company estimated that only a small number of holders would request packages. After balancing that estimate against the cost of reprints if quantities fell short, our client reduced the total print quantities for its proxy packages for its registered and street-name holders by approximately 90 percent.

To help our client’s registered voter response, Computershare provided a user-friendly notice document with a direct link to a branded Web “landing page” with integrated access to the online proxy materials and to online voting. The document was designed to maximize voter understanding and participation, and to increase the likelihood that holders would vote online. The document was customized for our client to reflect the company’s preferences, while remaining compliant with SEC rules.

By utilizing notice and access, our client realized over \$500,000 in savings – and conserved approximately 100 million pieces of paper.

CASE STUDY

RESULTS

Although fewer individual holders voted, our client achieved a quorum for their meeting that was only slightly less than the previous year's percentage. As expected, lack of paper packages did not hinder votes from institutional holders – who voted electronically – or from large individual holders. Notably, among registered holders, Internet voting nearly doubled – supporting our client's strategic goal to promote Internet use.

Computershare mailed approximately 18,000 notice documents to registered holders, and approximately 2 percent requested a paper copy. Overall, approximately 3 percent of all of our client's holders received paper copies, including those who had already pre-registered their preference for paper via Broadridge.

While processing fees did increase somewhat, our client realized over \$500,000 in savings in printing and mailing costs. From an environmental perspective, the company estimates that it saved 100 million pieces of paper, and avoided generating 1,300 metric tons of carbon dioxide and 9.5 million gallons of wastewater.

CONCLUSION

By leveraging the notice and access rules, our client not only saved significantly on printing and mailing costs, while still getting the votes it needed, but also supported its corporate goals of environmental responsibility and promotion of Internet solutions.

Among registered voters,
Internet voting nearly doubled
with notice and access compared
to the previous year.

ABOUT COMPUTERSHARE INVESTOR SERVICES

Computershare Investor Services provides comprehensive, best-in-class transfer agent services for more than 2,700 public corporations and closed-end funds in the US and their 17 million active shareholder accounts. Our innovative solutions drive efficiency and increase accuracy.

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Computershare is a global leader in transfer agency, employee equity plans, proxy solicitation and other specialized financial and communications services – serving more than 100 million shareholder accounts on behalf of 17,000 corporations in 17 countries.