



euroclear

Electronic proxy voting

Euroclear UK & Ireland

Proxy voting made

Euroclear UK & Ireland's electronic proxy voting service provides a highly efficient means for holders of dematerialised shares to vote on their shares using straight-through processing.

Issuers and investors can use electronic formatted messages for:

- company meeting announcements;
- the appointment of a proxy;
- giving instructions to a proxy; and
- the results of company meetings.

A clear audit trail from the registered holder to the issuer's agent allows issuers and their agents to verify if the instruction was received before the relevant cut-off time. The messages include time stamps and all relevant details such as the appointed proxy and instructions to that proxy.

The service we provide runs alongside other existing systems and voting service providers. It has formed the basis for a UK standard, and aims to reduce cost and risk as well as increase efficiency and voting levels.

Key benefits

- A streamlined process for issuers to inform investors of and collect proxy appointments and voting instructions for their company meetings, through the use of standardised procedures.

Moreover, issuers can ascertain the status of the voting process in real time, from release of the meeting announcement right up to the final deadline.

- Formatted meeting information in real time for investors, allowing them to pass on the information quickly to underlying clients. This gives the underlying clients more time to make informed decisions to appoint and instruct a proxy electronically.
- Access for third-party proxy voting providers to receive company meeting announcements and send proxy appointments and voting instructions back to the issuer on behalf of their registered holders.

Our proxy voting service is based around three key functions

- announcement of company meetings;
- appointment of, and giving of instructions to, a proxy; and
- announcement of voting results.

Meeting announcement

Our system allows an announcement agent (normally the registrar) to input a meeting announcement directly. This significantly improves the speed at which information can be passed down the beneficial ownership chain, ultimately giving more time for the information to be analysed before a vote is cast.

The meeting announcement is compliant with ISO 15022 standards and data flows. It is available to all our clients, regardless of whether they have a holding in the security or not. It provides the core details required by market participants to process the corporate action.

These core details include:

- ISIN;
- meeting type;
- dates and times;
- proxy appointment;
- resolution details; and
- options available.

The template provides a standard for use by all systems, ultimately improving straight-through processing. Meeting announcements are given appropriate status changes, which allows for a full audit trail.

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Proxy appointment instructions

A dedicated proxy appointment instruction message is the electronic equivalent of a paper proxy card. The process has been approved by the joint committee of the Law Society's Company Law Committee and the Company Law Sub-Committee of the City of London Law Society. It has the same legal status as the completion and delivery of a paper proxy card.

The proxy instruction can be input at any time from the initial input of the meeting announcement up to the close of business on the day of the meeting. The electronic message details both the appointment of a proxy and the instructions as to how the proxy should vote. The details contained within the message are concurrent with the initial announcement.

For each meeting:

- a member can input one instruction per appointed proxy, per member account;
- once a vote is cast it can be modified and cancelled;
- an investor can input the number of shares the vote is based on. It is possible either to input a specific quantity or to use a 'total holding' indicator. This balance is based on the total holding at the point the balances are drawn;
- a different number of votes can be input for each resolution; and
- each resolution can be voted on in different ways within a single message.

Our system will apply limited validation where necessary. As it is a 'facilitator' to proxy voting and not an agent for either investor or issuer, the validation it offers to the issuer's agent (the agent responsible for the collection of proxy appointments) is limited. Ultimately it is the issuer's agent that must decide on the validity in terms of timings, holdings, proxy appointment and instruction to the proxy in respect of the votes cast. The system provides the necessary audit trails to allow the issuer's agent to verify if the instruction was received before the relevant cut-off time.

Voting Service Providers

Because many institutions outsource their proxy voting to third-party providers, we offer a Voting Service Provider (VSP) participant type. A VSP only has proxy voting functionality, holding neither securities nor cash.

A VSP receives all meeting announcement notifications and any related results (if they are made available). Once a meeting has been announced (and is at a status of 'Active' within our system), a VSP is given access to the securities balances of the client for whom it has been appointed VSP.

An instruction input by a VSP on behalf of the registered securities holder has been designed in such a way that the issuer's agent will not be aware of the participant inputting the instruction. To this end it is not alerted to any VSP involvement. This eradicates the need for powers of attorney.

Our electronic proxy voting service provides a secure, standardised and efficient system for proxy appointments and voting instructions.

Results

Issuers can also announce the results of the meeting to investors. This is compliant with ISO 15022 standards and data flows. The information is available to all of our clients, regardless of whether they have a holding in the security or not.

The results page can display:

- whether each resolution was passed or defeated;
- the total number of votes that were received by proxy; and
- the total number of votes that were cast at the meeting.

The data provided shows actual numbers, not percentages.

Low costs

Euroclear UK & Ireland offers simple and transparent pricing. Our aim is to reflect the cost of delivering individual services, so you only pay for the services you use.

A full tariff, including charges for proxy voting services, is available on www.euroclear.co.uk > **Services** > **Tariff**

Contact us

To find out more about the electronic proxy voting service, please contact the Account and Client Relationship Management team on +44 (0)20 7849 0808.



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