Computershare

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January 19, 2011

Ms. Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

RE: File No. S7-14-10, Concept Release on the U.S. Proxy System

Dear Ms. Murphy,

In response to the Concept Release File No. S7-14-10, Computershare is pleased to submit further comments in two specific and important areas:

(a) recent issuer sentiment regarding proxy reform, and

(b) documentation supporting our contention that any move to simply adjust the current regulated fee structure will not of itself resolve the structural issues with the existing proxy system.

This further information supplements our submissions of October 20 and November 2 and should be read in conjunction with those comment letters.

Issuer sentiment regarding proxy reform

Following the Commission's issuance of the Concept Release on July 14, 2010, anecdotal information and survey data have been submitted by some service providers and trade associations in support of their comments to the Commission regarding the release. Because Computershare's goal is to represent its clients' interests in proxy reform, we commissioned National Quality Review (NQR) to conduct an independent survey of our clients to test and validate issuer sentiment, to ensure our advocacy position and actions continued to reflect that sentiment, and to improve discussion around what changes issuers want for the proxy system.

Through this survey, Computershare sought to solicit information from a range of job functions within the corporate issuer community. The survey was designed to demonstrate that the issue is broader than the concerns that affect the corporate secretary function, although we recognize that the views of corporate secretaries are critically important to reforming the proxy system. NQR's findings contrast sharply with the findings in other surveys.

The survey was administered by NQR to a significant sample of our clients. 108 individuals at 105 issuers responded, representing approximately 22.5 million shareholders. Respondent companies ranged in size from $54 million to $133 billion in market capitalization.

Key results of the survey include:

- 69% feel that the current "street name" voting system is a barrier to obtaining reliable, accurate, and auditable results.
- 89% believe that a more transparent proxy system – in which votes can be traced directly back to the owner of the securities – would improve the reliability, accuracy, and auditability of voting results.
- 90% believe that Computershare should continue to advocate for changes to the underlying mechanics of the proxy system.

- 87% had not submitted a comment letter to the Commission. Of those, 39% said they were deferring to an industry organization to represent their views.
- 70% of clients chose not to reveal their name to the survey team.

We trust this information will be helpful to the Commission as it considers policy matters regarding the scope and extent of proxy reform.

Regulated fee adjustments

Given that the Commission has not yet finalized its review of the proxy mechanics issues outlined in the Concept Release, we wish to reiterate a key policy point made in the summary of our October 20, 2010, comment letter: that simply reducing the regulated rates will not alleviate the structural impediments to direct communications between issuers and investors.

A regulated rate reduction would undoubtedly be welcomed by many issuers – and could represent an early and solid first step by the NYSE and SEC in an overall program to reform the proxy system. However, such a change on its own would do nothing to modernize the underlying system, nor would it introduce greater transparency, direct communications or a competitive environment in which issuers can negotiate fees with commercial service providers. The additional step of altering the regulatory framework to facilitate communication with all shareholders and competition between issuer-agents is the only way to introduce true market-based pricing and competitive bidding for investor communications services.

A simple rate reduction does nothing to rectify the weakness in the current investor communication market. In the current environment, the depository operator's (DTCC) core focus is limited to settlement of transactions between market participants – meaning it takes a "hands-off" approach to facilitating investor communications between issuers and investors whose securities are held in street-name form. Instead, the matter is left to issuers and brokers/banks, who must work around the central settlement system to effect these critical communications.

As a result, brokers and banks appoint an agent to handle investor communication; and that agent then levies charges for those services on the issuers, at regulated rates. The issuers themselves have no say in the appointment of the agent, nor in the fees they are charged by the broker's agent.

This point was made to the NYSE and the Commission in 2002, when the decision to reduce rates was last taken. Following the 2002 review, the Commission acknowledged its preference for the introduction of a competitive market.[1] In its October 20, 2010, comment letter, the NYSE also stated that it prefers a competitive market to develop, and that it wants to exit the fee setting role.

In our latest submission to the NYSE Pricing Committee on November 2, 2010 (copy attached), we reaffirmed that reform of proxy mechanics is not just about cost, although cost impact is an important issue. It is about increasing transparency, introducing direct communications with issuers, improving auditability and accountability of the voting process, and introducing competition.

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[1] *Order Approving Proposed Rule Change and Amendment No. 1 Thereto by the New York Stock Exchange, Inc. Amending Its Rules Regarding the Transmission of Proxy and Other Shareholder Communication Material and the Proxy Reimbursement Guidelines Set Forth In Those Rules, and Requesting Permanent Approval of the Amended Proxy Reimbursement Guidelines*, Self-Regulatory Organizations; NYSE Rulemaking, Securities and Exchange Commission, (Release No. 34-45644; File No. SR-NYSE-2001-53), March 25, 2002. See specifically Section V C. http://www.sec.gov/rules/sro/34-45644.htm

With respect to pricing matters, however, in our view:

- **A committee is not the most effective way to set market-based prices.** We firmly believe that events of the past decade clearly demonstrate that fundamental changes need to be made, and that a committee is not an effective substitute for a market-based system. A committee is unlikely to be the best judge of appropriate fees for investor communication services – especially in a rapidly changing technological environment.

- **Many aspects of the current regulated pricing system remain in question.** While a competitive market would eliminate many of the problems with the current market for proxy distribution and communications, the question of what to do in the interim remains open. Examples include: (i) whether the base rates are fair, (ii) whether suppression rates are even appropriate any longer and (iii) whether managed accounts should be charged in the same way as regular accounts. The introduction of Notice & Access, which is not governed by the same rate structure (because appropriate rates could not be agreed upon), has made the process even more complex.

- **Current SEC regulations separate the obligation to conduct investor communications from the obligation to pay for those services.** Brokers are obliged under SEC rules to communicate with investors; however the obligation to pay for those communications has been transferred to issuers under NYSE rules. The result is the entrenchment of a dominant supplier of services. If the obligation to pay were aligned with the right to select the outsourced service provider a competitive market would, in our view, quickly develop.

The recent NQR survey of leading issuers confirms that many are unhappy with the existing system (see separate commentary above). The SEC should not, in our opinion, further defer the decision to reform the underlying mechanics of the system.

The core policy issue of whether issuers should have a right to know who their underlying shareholders are (and if so by what operational mechanisms) and be able to communicate directly with them is also of critical importance to separate but related regulatory debates (e.g., to the provision of virtual shareholder meetings and electronic discussion forums). The same practical constraints currently apply to these new technological developments, as the current market infrastructure does not provide issuers with efficient access to "street-name" shareholder information. See the related commentary in the first part of this letter regarding the need to increase transparency.

Issuers, being the primary consumers of these new forms of shareholder engagement services (e.g., virtual shareholder meetings), again run the risk of being captive to a single provider due to the existing structure of information access rights, based on loosely-related contracts the provider has with brokers and banks. These contracts originate from the current regulatory and operational structure of the system which shape both proxy mechanics and shareholder communications by issuers to "street-name" holders generally. These inter-related policy issues need to be considered from a regulatory and competition policy perspective.

We urge you to give prompt consideration to these complex matters, including the timing and scope of changes that may be progressively implemented to the proxy system. Decisions made in 2011 are likely to shape the investor communications market for the next decade at least, just as the decisions made in 2002 will, in a practical sense, have shaped the market for the ten years that followed. In our view, the concept release process has also demonstrated that the regulatory review process is not the optimum or a timely way to determine how much issuers should be paying for future services (especially if the services remain subject to contracts entered into by brokers and banks). A healthy market for services is the best place for these pricing decisions to be made. In our view, there is no reason to shelter the investor communications market.

We do not believe that a reduction in existing regulated rates would be sufficient to address the broader market reform issues. Issuers want the Commission to take more steps to create an open, competitive environment. While we have no specific knowledge to suggest that regulators believe that a reduction in the existing regulated rates would, on their own, be the end of the reform process, we wanted to again go on record to state that we view these matters (pricing versus mechanics) as related but fundamentally separate policy issues. Any changes to reduce the regulated rate (to address matters outlined above), should in our view only be positioned as a first step in the broader reform process. The Commission will need to deliver strong leadership to bring about the implementation of any second and successive steps. In our view, the market cannot afford to defer the broader reform process. Events of the last decade show that it will only be a matter of time (especially as modern communications technologies challenge the status quo) before all parties are forced into another regulatory review.

We trust you will find this supplemental information useful. We believe the statistical results from our independent survey and the pricing data set out in attached presentation (to the NYSE Pricing Committee) should satisfy your request for policy positions to be supported by tangible data.

Yours sincerely,

Paul A. Conn
President, Global Capital Markets Computershare Limited

Steven R. Rothbloom
President & CEO Computershare US
Computershare Inc.
Georgeson Inc.
Computershare Communications Services Inc.
Computershare Technology Services, Inc.
Kurtzman Carson Consultants LLC (KCC)

cc: The Honorable Mary L. Schapiro
The Honorable Kathleen L. Casey
The Honorable Elisse B. Walter
The Honorable Troy A. Paredes
The Honorable Luis A. Aquilar
Kayla Gillan, Deputy Chief of Staff
Meredith Cross, Director, Division of Corporation Finance
Robert Cook, Director, Division of Trading and Markets
Andrew Donohue, Director, Division of Investment Management
Scott Cutler, Executive Vice President, NYSE Euronext

COMPUTERSHARE

PROXY POLL RESULTS

JANUARY 18, 2011

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OVERVIEW

The purpose of this survey is to gauge the respondents' views of the July 14, 2010, Proxy Reform Concept Release, issued by the Securities and Exchange Commission (SEC), regarding an analysis of areas of critical concern within the existing U.S. proxy system and discussion of how to improve the system currently in place.

Computershare's intent is to use the results of the survey to inform issuers about key components of the concept release and to align its reform activities with issuers' concerns.

Through a Computershare outreach campaign conducted prior to the survey, many of Computershare's issuer clients had expressed an intent to support changes to the proxy system by submitting comment letters about the concept release to the SEC. Because fewer letters than expected had been submitted, Computershare determined that a more formal poll would provide a more comprehensive and objective assessment of clients' views.

TERMS OF NOTE

Proxy: A power of attorney document given by shareholders of a corporation authorizing a specific vote on their behalf at a corporate meeting.

Proxy system: The process by which shareholders elect directors and vote on corporate governance proposals.

Proxy distribution: The process of disseminating proxy materials to shareholders through traditional mail and electronic means.

Beneficial owner: A person who enjoys the benefits of ownership even though title is in another name. Shares held in this manner are referred to as being in "street name."

NOBO: Non-objecting beneficial owner. A beneficial owner who gives permission to a financial intermediary to release the owner's name and address to the company(ies) or issuer(s) in which he or she has bought securities.

OBO: Objecting beneficial owner. A beneficial owner who objects to disclosure of his or her name and address to the company(ies) or issuer(s) in which he or she has bought securities.

Street name: Ownership of shares that are held for the benefit of the shareholder in a brokerage account and are not reflected in the shareholder's name on the records of the corporation. Owners of shares held in street name are referred to as beneficial owners.

Registered holder: A holder of securities whose own name is reflected on the records of a corporation, as opposed to holding the shares in street name. Registered owners receive all corporate communications directly from a company.

Comment letters: Letters that individuals and entities submit in response to requests for public comment on proposed rulemaking or other agency activity.

EXECUTIVE SUMMARY

METHODOLOGY

National Quality Review (NQR), a firm that specializes in research and consulting within the financial services industry, was contracted by Computershare to conduct an independent, third-party survey of corporate counsel, corporate secretaries, and investor relations personnel at publicly traded companies that are clients of Computershare.

NQR sent electronic surveys to 870 individuals from 626 publicly traded companies in November and December 2010. To increase response rates, NQR called nonrespondents after the initial e-mail campaign and conducted telephone interviews[1] or re-sent the surveys. The goal was to obtain 100 responses. A total of 108 individuals from 105 companies responded; 70% of respondents indicated that they did not wish to reveal their name along with their comments.

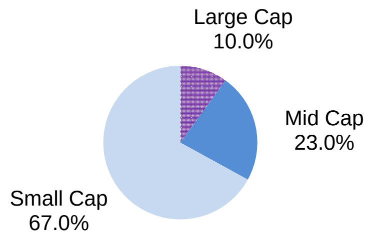
[1] For a detailed description of the methodology, please see Appendix.

Companies were segmented into three market capitalization (cap) categories:

- Large-cap companies (over $10 billion)
- Mid-cap companies ($2-10 billion)
- Small-cap companies (less than $2 billion)

Of the individuals that were sent surveys, 10% were from large-cap companies, 23% were from mid-cap companies, and 67% were from small-cap companies.

Individuals Solicited



RESPONSES

The survey respondents comprised 108 individuals from 105 organizations:

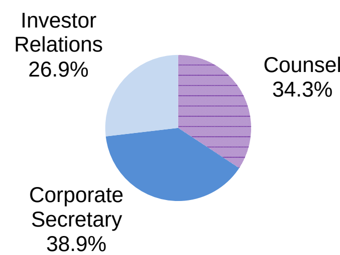
- 23% represented large-cap companies
- 33% represented mid-cap companies
- 44% represented small-cap companies

Respondents were grouped into three title categories:

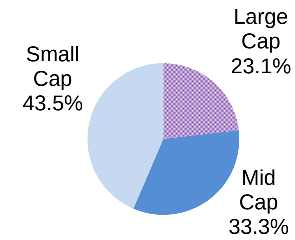
- Corporate secretary
- Legal counsel
- Investor relations

Responding companies represented 3,456,505 registered shareholders and approximately 19,010,778 beneficial shareholders.

Respondent Titles



Market Capitalization

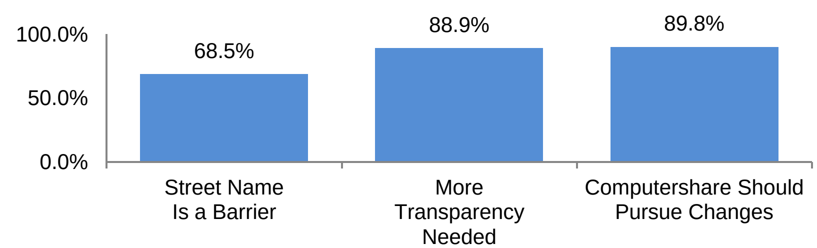


KEY RESULTS

Of the eight topics covered in the survey, the three areas shown below were considered particularly significant because they capture issuers' experiences with the system, their desire for reforms to the system, and the value they believe would come from that reform.

1. Over two-thirds (69%) of the respondents indicated that the current street-name voting system is a barrier to obtaining reliable, accurate, and auditable results.
2. 89% of respondents indicated that a more transparent proxy system would improve reliability, accuracy, and auditability of voting systems.
3. 90% of respondents indicated that Computershare should continue to pursue changes to the underlying mechanics of the proxy system.

Key Results – Percent Yes



*

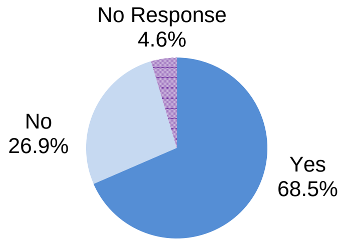
Of the 69% of respondents that did believe the current system is a barrier, three stated that it was difficult to identify their shareholders with the current system. One respondent noted little confidence in Broadridge, providing an example of mistakes made in the past and blaming these errors on their lack of experience. Another respondent expressed dissatisfaction with the idea that brokers can vote on behalf of the shareholder, and another stated they were in alignment with Computershare's stand on this matter.

Only 27% of respondents indicated that the current street-name voting system is not a barrier to obtaining reliable, accurate, and auditable results. Three of these respondents stated that they had not experienced voting issues with the current system, and one respondent noted that they had not experienced claims of fraud.

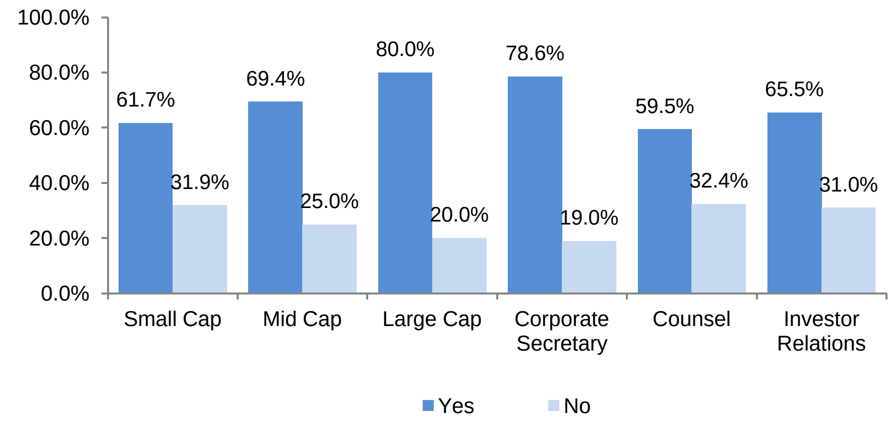
Is the Current System a Barrier?

A large portion of respondents, 69%, indicated that the current street-name voting system is a barrier to providing reliable, accurate, and auditable voting results; 27% indicated the current system is not a barrier; and 5% did not respond.

Is the current street-name voting system a barrier to reliable, accurate, and auditable results?



Is the current street-name system a barrier?

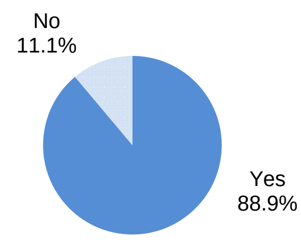


Would a More Transparent System Improve Results?

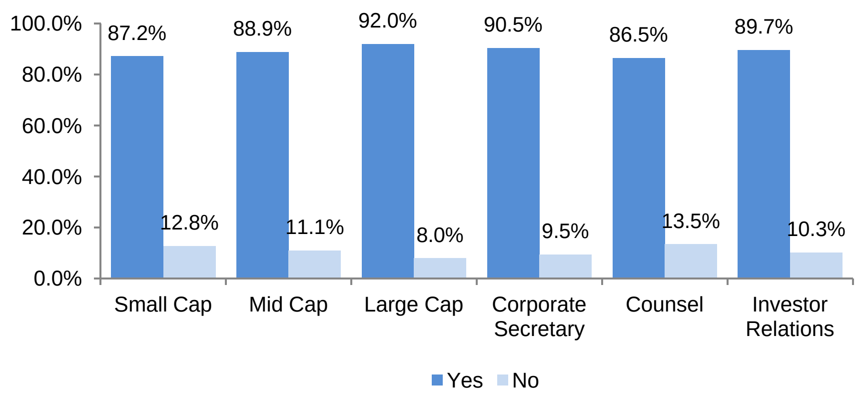
Nearly 89% of respondents indicated that a more transparent proxy system – in which votes can be traced directly back to the owner – would improve the reliability, accuracy, and auditability of voting results.

These respondents believed that a more transparent system would be helpful, or at least not hurt. They also noted the benefits of more transparency, including having the ability to trace the name back to who actually owns the securities and the ability to get feedback from the shareholders to see what they are really looking for.

Would a more transparent system improve reliability, accuracy, and auditability of voting results?



Would a more transparent system improve results?

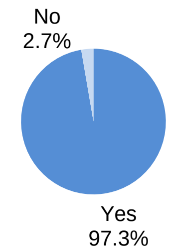


Of the 69% that indicated the current system is a barrier to obtaining reliable, accurate, and auditable results (see "Is the current street-name system a barrier" results on the previous page), 97% noted a more transparent system would improve reliability, accuracy, and auditability of voting results. One respondent noted that the ability to have access to the full list of shareholders would be beneficial, another noted that transparency would prevent persons from acting for their own economic benefit versus the shareholders, and another noted the value of getting direct feedback from the shareholders to see what they are really looking for. Other comments echoed the theme that transparency is good and helpful.

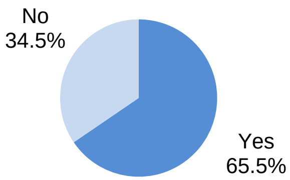
Of the other 27% of respondents who indicated the current system is not a barrier, 66% indicated that a more transparent system would improve the reliability, accuracy, and auditability of voting results.

Is more transparency needed?

Respondents Noting Street Name IS a Barrier



Respondents Noting Street Name Is NOT a Barrier

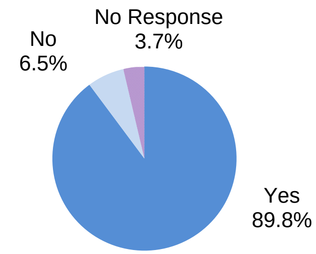


SHOULD COMPUTERSHARE PURSUE CHANGES?

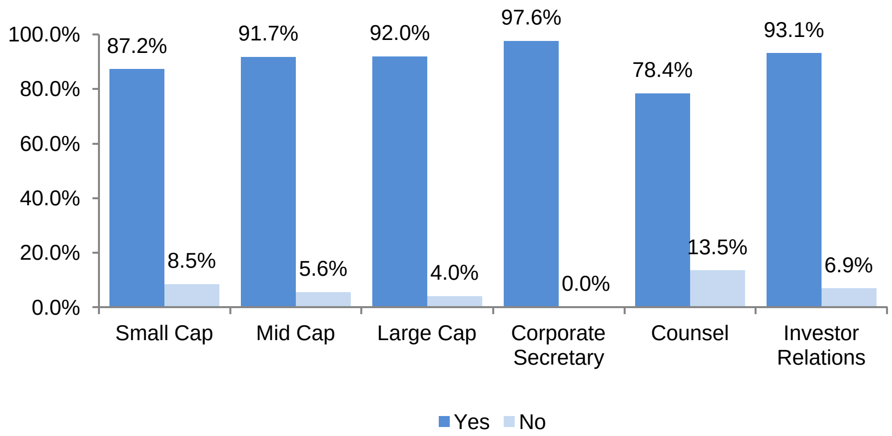
When respondents were asked if they thought Computershare should continue to pursue changes to the underlying mechanics of the proxy system, 90% of the respondents said yes; 7% said no; and 4% did not respond to the question.

Respondents who indicated they would like Computershare to pursue changes frequently noted the need for process improvement. Three respondents noted that transparency is needed, and two mentioned reduction in cost.

Should Computershare continue to pursue changes to the proxy system?



Should Computershare pursue changes?



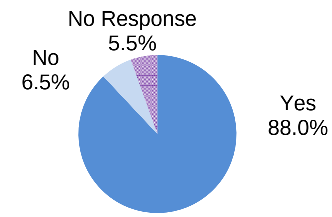
OVERALL RESULTS

NON-OBJECTING VS. OBJECTING BENEFICIAL OWNERS

Fully 88% of respondents indicated that the current system of classifying street holders as a “non-objecting beneficial owner” (NOBO) versus an “objecting beneficial owner” (OBO) is a barrier to identifying street-name shareholders; 7% indicated it is not a barrier; and 6% did not respond to the question.

Respondents who did indicate that the current system is a barrier to identifying street-name shareholders noted that the system is not transparent and they cannot identify their shareholders.

Is the current system of classifying street holders as “NOBO” versus “OBO” a barrier to identifying street-name shareholders?

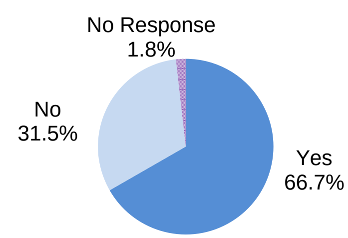


IS THE CURRENT DISTRIBUTION METHOD A BARRIER TO COMMUNICATION?

More than two-thirds of respondents, 67%, indicated that the current system for maintaining street-name holder data and distributing proxy materials to them is a barrier to communicating effectively with those holders; 32% indicated that it is not a barrier; and 2% did not respond to the question.

Respondents who indicated that the current system is a barrier stated that cost is the primary issue. Respondents also wanted to see more competition between different [proxy distribution] companies. Those who indicated that it is not a barrier noted that the current system is fine.

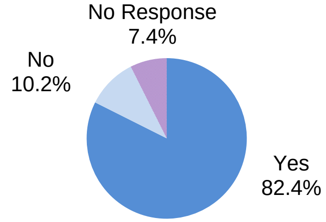
Is the current system for maintaining street-name holder data and distributing proxy materials to them a barrier to communicating effectively with those holders?



DOES A MONOPOLY EXIST IN PROXY DISTRIBUTION?

A large majority (82%) of respondents indicated that a monopoly currently exists in proxy distribution to street-name holders, while 10% indicated that a monopoly does not currently exist. Of that 10%, four respondents noted that the current system is more of an oligopoly (market with few producers) than a monopoly.

Does a monopoly currently exist in proxy distribution to street-name holders?

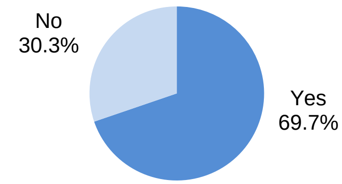


IS THE MONOPOLY DETRIMENTAL TO THE SYSTEM?

Respondents who indicated that a monopoly exists in proxy distribution to street-name holders were asked if they believed that the monopoly is detrimental to the functioning of the proxy system: 70% said yes, and 30% said no.

Most respondents who did indicate that the monopoly is detrimental to the functioning of the proxy system stated cost as the reason. Cost was also the most frequent response for those who do not believe the monopoly is detrimental. Three of these respondents stated that monopolies can be positive.

Is this monopoly detrimental to the functioning of the proxy system?

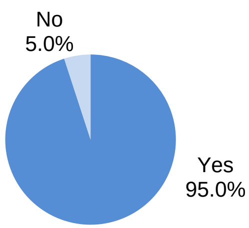


WOULD COMPETITION REDUCE COSTS?

Respondents who indicated that a monopoly exists in the proxy distribution to street-name holders were also asked if a competitive market for proxy distribution would provide cost savings in the shareholder communications and meeting process: 95% of these respondents indicated that it would provide cost savings, and 5% said it would not.

Respondents who said yes noted that a competitive market is best, that a different system would open up a variety of ways to communicate, and that process improvements would occur as a result. Those who said no did not provide further comments regarding their response.

Would a competitive market for proxy distribution to street-name holders provide cost savings?

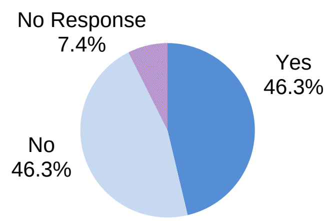


WOULD CHANGE RESULT IN MORE COMMUNICATION?

Respondents were split when asked if they would increase the amount of communication with shareholders if certain aspects of the proxy system changed, including removal of NOBO/OBO restrictions and reduction in costs through the introduction of open-market competition. For this question, 46% said yes, 46% said no, and 7% did not respond.

Most respondents who said no thought this change would have no impact. Respondents who said yes noted in many cases that the change would "probably" have an impact.

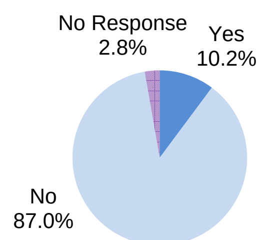
If the proxy system changed, would your company increase the amount of communication with shareholders?



DID YOU SUBMIT A COMMENT LETTER TO THE SEC?

When asked if they submitted a comment letter to the SEC in response to the concept release, 87% indicated that they had not submitted a comment letter, 10% indicated that they had submitted a letter, and 3% did not respond to the question.

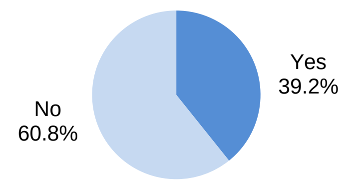
Did you submit a comment letter to the SEC in response to the concept release?



Of the respondents who said that they had not submitted a comment letter, 39% said they were deferring to a response provided by an industry organization, and the remaining 61% said they were not.

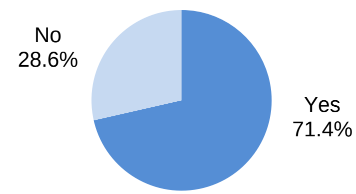
Most of the respondents who said they did not submit a letter noted that they did not have enough time or that they had deferred this.

Were you deferring to a response provided by an industry organization?



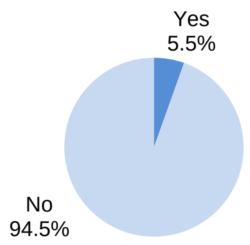
Of the respondents who said they were deferring to a response provided by an industry organization, 71% indicated that they were fully aware and supportive of that organization's position, and the remaining 29% indicated that they were not.

Are you fully aware and supportive of that organization's position?



Of the respondents who indicated that they had not submitted a comment letter to the SEC in response to the concept release, only 5% said they were willing to write a letter but thought the deadline had passed. The remaining 95% replied no.

Were you willing to write a letter but thought the deadline had passed?



KEY ITEMS FOR INDUSTRY ADVOCACY EFFORTS

Respondents were asked to provide open-ended comments in response to "*What are some other key items that you would like Computershare to consider as part of its industry advocacy efforts?"*

Sample Comments:

- "The thing that we've run into the most problems with is people … trying to vote their notice. I don't know if there's any way at all to make it clearer or allow something to be allowed to be sent with it. That's the main problem we've had. We've done [Notice and] Access for 2 years, and both years we've had people trying to vote [when they receive] the [Notice]."

- "We need to get rid of that NOBO/OBO list. To me, that would be a huge help."

- "We used to have Computershare do our registered stockholder voting. They used to do our official vote count, but because of how Broadridge has basically a monopoly over the street vote, it was just easier to go with Broadridge. That way you would have one company taking care of all aspects of your vote, as opposed to Broadridge taking care of some aspects and Computershare doing other aspects. So from an organizational standpoint, it was just easier to go with Broadridge. If the rules changed, I would use Computershare for everything. I really like the way you guys have your proxy card set up better. If the SEC does change the rules, I would like to go with Computershare in the future."

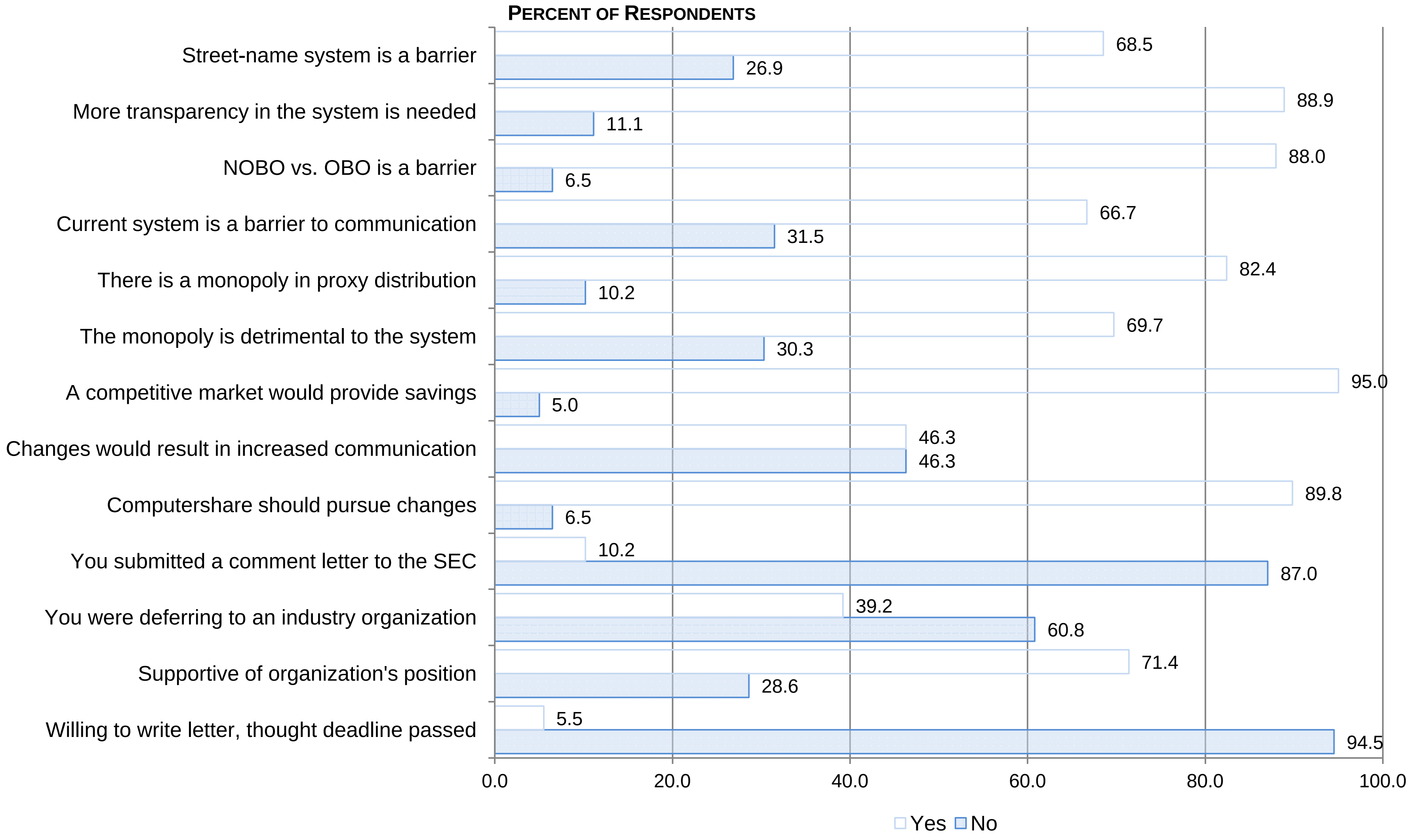
- "I generally think that the way the system is constructed is ... there's been a lot of onus put on requirements of companies to communicate to shareholders. There's no means to communicate those [matters] to certain shareholders. I don't have the solution in mind; the system is almost broken, in my view. With Web sites, companies have many different ways to communicate with shareholders. The costs associated with it ... it's a different world, and there are many ways in terms of ability to communicate. It's a very antiquated system, created back in the day when you didn't have the technological communication advantages we have today, making it easier to communicate and more transparent when communicating with shareholders. This is a personal view, not a company view."

- "We're looking at the role of our proxy solicitor and kind of opening up dialogue between maybe our transfer agent and our solicitors, so that both the registered side and the street are working together. Looking at trying to ease up some of the rules and regulations on mailing."

- "For us, I don't know where Computershare would fit into this, but an important issue for us is the SEC's consideration of the role of proxy advisory firms and their analysis of potential conflicts of interest with those firms."

- "[Computershare] should say [to the SEC], 'We [Computershare] represent 500 issuers and you [the SEC] ought to listen to us, even though you didn't get letters from [all 500 issuers].'"

RESULTS BY QUESTION – RESPONSE FREQUENCY



RESULTS BY JOB TITLE

The following chart shows the percentage of each job title group responding yes to the listed questions. Significant differences in the way the different job title groups responded are highlighted.

Percent Yes	Corporate Secretary (n = 42)	Counsel (n = 37)	Investor Relations (n = 29)
Street-name system is a barrier	78.6%	59.5%	65.5%
More transparency in the system is needed	90.5%	86.5%	89.7%
NOBO vs. OBO is a barrier	92.9%	81.1%	89.7%
Current system is a barrier to communication	88.1%	45.9%	62.1%
There is a monopoly in proxy distribution	83.3%	78.4%	86.2%
The monopoly is detrimental to the system	66.7%	57.1%	85.7%
A competitive market would provide savings	100%	87.5%	100%
Changes would result in increased communication	50.0%	35.1%	55.2%
Computershare should pursue changes	97.6%	78.4%	93.1%
You submitted a comment letter to the SEC	7.1%	0.0%	27.6%
You were deferring to an industry organization	51.4%	20.7%	43.8%
Supportive of organization's position	79.2%	58.3%	66.7%
Willing to write letter, thought deadline passed	4.5%	13.6%	0.0%

RESULTS BY MARKET CAP

The following chart shows the percentage of each market cap category responding yes to the listed questions. Significant differences in the way the different market sizes responded are highlighted.

Percent Yes	Small (under $2 Billion) n = 47	Medium ($2-10 Billion) n = 36	Large ($10 Billion+) n = 25
Street-name system is a barrier	61.7%	69.4%	80.0%
More transparency in the system is needed	87.2%	88.9%	92.0%
NOBO vs. OBO is a barrier	83.0%	94.4%	88.0%
Current system is a barrier to communication	72.3%	66.7%	56.0%
There is a monopoly in proxy distribution	80.9%	80.6%	88.0%
The monopoly is detrimental to the system	61.1%	75.0%	73.7%
A competitive market would provide savings	92.3%	96.7%	100%
Changes would result in increased communication	44.7%	44.4%	52.0%
Computershare should pursue changes	87.2%	91.7%	92.0%
You submitted a comment letter to the SEC	4.3%	11.1%	20.0%
You were deferring to an industry organization	30.3%	39.3%	52.6%
Supportive of organization's position	64.3%	68.8%	80.0%
Willing to write letter, thought deadline passed	3.8%	15.8%	0.0%

APPENDIX – METHODOLOGY

Computershare provided a list to NQR containing 1,025 individuals at 626 of Computershare's publicly traded issuer clients. The survey was e-mailed to 870 individuals for whom e-mail addresses were provided. Some of the 155 contacts with no e-mail addresses received telephone calls with the option to complete the survey over the phone or to provide an e-mail address so they could receive a link to the survey.

To increase response rates, NQR called nonrespondents after the initial e-mail campaign. The follow-up calls verified that the client received the electronic survey link and encouraged them to complete the survey online. If a recipient preferred not to complete the survey electronically, NQR offered the option of participating in a telephone interview: 35% of the respondents completed telephone interviews as a result of this follow-up, and many more agreed to complete the survey at the link.

The telephone interviews were conducted by NQR's interviewing staff. The interviewing staff have an average of 13 years of interviewing experience and are accustomed to business-to-business telephone campaigns in a financial services environment. All telephone interviews were recorded, if permission was granted, to ensure complete accuracy in the transcription of data and verbatim comments.

The initial e-mails with the electronic survey link were sent on 11/15/2010 and follow-up calls were initiated the next day. Follow-up calls and e-mails continued through 1/4/2011, when the study concluded.

RESPONSE RATE

A total of 108 individuals responded to the survey, resulting in an overall response rate of 10.5%. The response rate for the large-cap organizations was the highest at 24%; response rates were 15% for mid-cap companies and 6% for small-cap companies.

A large number of registered and beneficial shareholders were represented by this response. An actual number of 3,456,505 registered shareholders and an estimated number of 19,010,778 beneficial shareholders were represented, for a total estimated representation of 22,467,283 shareholders.

RESPONDENT CATEGORIES

Respondents' corporate positions were categorized into three groups: Legal Counsel, Corporate Secretary, and Investor Relations. Respondents who were both Corporate Secretary and Counsel were categorized as Corporate Secretary.

Results were also categorized by market-cap size: 23% represented large-cap companies, 33% mid-cap companies, and 44% small-cap companies.

Presentation to NYSE Proxy Fee Advisory Committee

Paul Conn
President, Computershare Global Capital Markets

New York City
November 2, 2010

CFO Magazine, November 2010

"Finance executives want shareholders to come out of hiding, if for no other reason than to lower the costs of communicating with them."

Computershare

Computershare worldwide

Integrated, end-to-end solutions

Enabling companies to maximize the value of relationships with:

- Investors
- Employees
- Customers
- Members

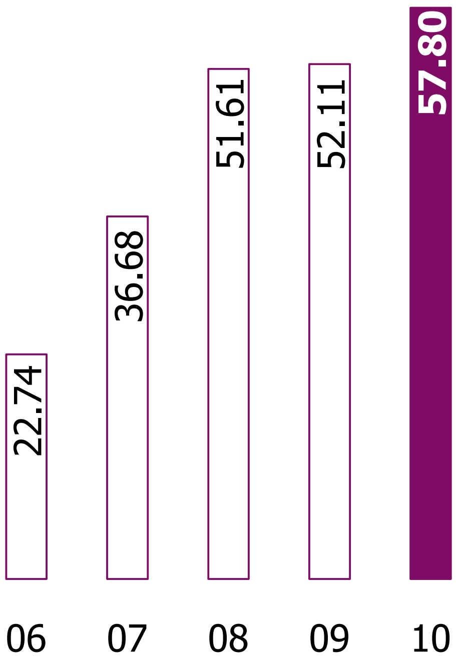
A global leader in:

- Transfer agency
- Employee equity plans
- Proxy solicitation
- Bankruptcy, claims and restructuring administration
- Other specialized financial and communication services

Computershare worldwide

Five-year financial results

Earnings per share

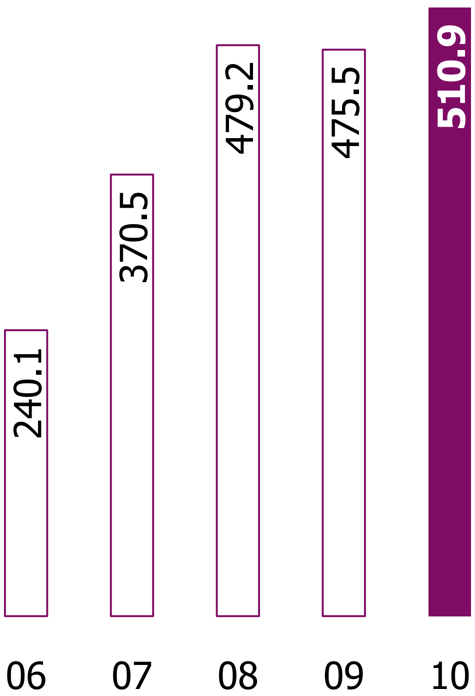


Per share (U.S. cents)

Sales revenue

$ million

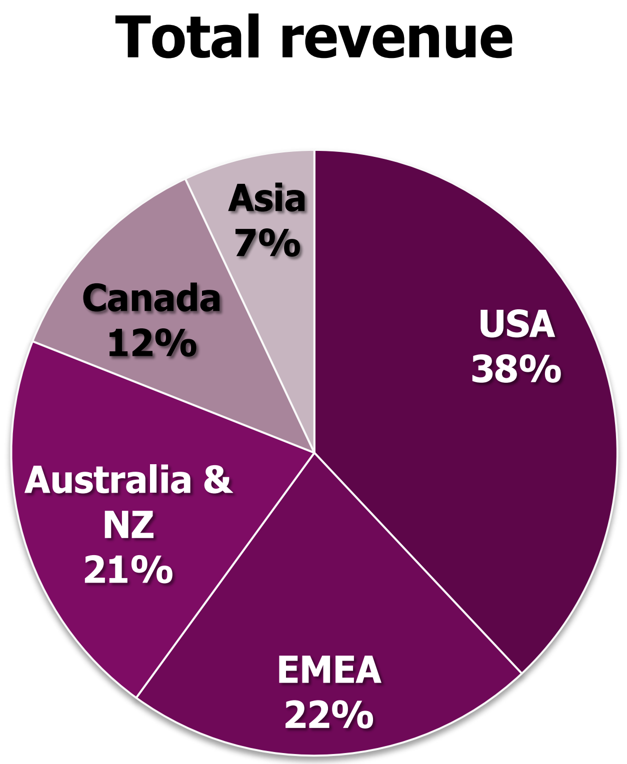
EBITDA

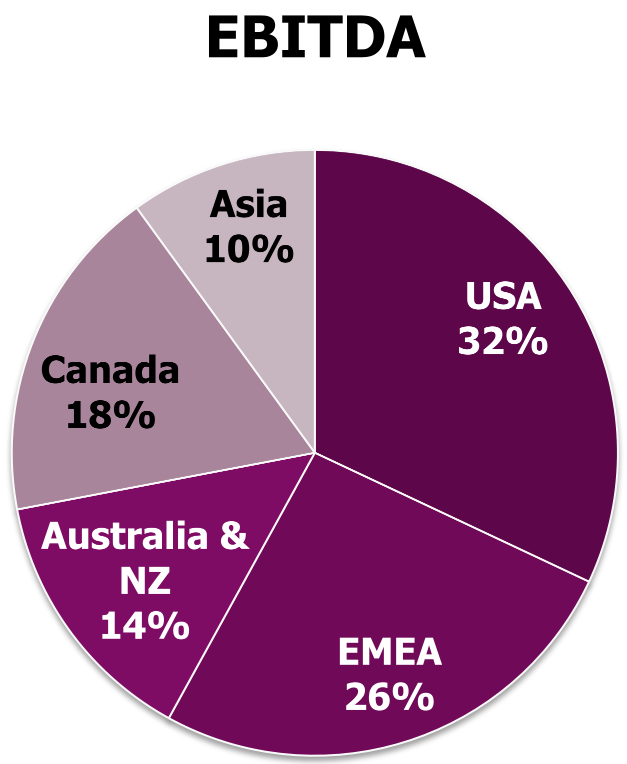


$ million

Computershare

Revenue and EBITDA
FY 2010





Computershare history - US

2000 Entered US market by acquiring transfer agency business of Harris Bank.

2003 Acquired Georgeson – founded in 1937

2005 Acquired EquiServe – originally founded as "Boston EquiServe" in 1995 as a joint venture of Bank of Boston and Boston Financial Data Services

Industry leadership

- **Computershare provides transfer agent services to 31% of the Fortune 500**
- **Georgeson has provided proxy solicitation services for 30% of the Fortune 500**
- **Computershare fund services provides proxy services for 56 of the Investment Company Institute’s top 100 mutual funds by asset size**

Key metrics

- Market cap. $5.5 billion
- More than 10,000 staff members worldwide; nearly 3,000 in the U.S.
- $150 million annual technology investment

Computershare Communication Services 2010 output

- **Printed images processed**
  - Global = 1.4 billion
  - US = 400 million
  - North America (including Canada) = 525 million
- **Mail packs processed**
  - Global = 460 million
  - US = 140 million
  - North America (including Canada) = 152 million
- **Possess ability to greatly increase capacity**
  - With just current equipment and facilities could service circa 800 million images and 280 million mail packs in the US alone
  - Potential additional investment in hardware and facilities could deliver up to 1.2 billion images and 420 million mail packs

Core proxy reform issues

- **Price is a major concern for issuers**
  - Responses to SEC concept release clearly show issues with both the regulated fee structure and lack of competition in the marketplace
- **But it isn't just about price…**
  - Reforming the system is about enhancing transparency, increasing the validity of votes and creating a fair market for services
  - Not simply a debate between Broadridge and transfer agents
  - Proponents of change should not be painted as "radicals" for suggesting a more modern and progressive alternative

Misconceptions with the current system

- **Industry print and mail savings**
  - Broadridge's claimed savings are theoretical – investors choose to receive electronic communications

- **E-comms/suppressions**
  - Under NYSE Rule 465, issuers must pay a premium to physical mailings ($0.25 premium, minimum)
  - Where <200,000 street name holders exist, suppression premium is double that of the large issuer premium (i.e., $0.50)
  - Notice and Access suppressions are provided at a second layer of premium charging, not specified under Rule 465
  - Managed accounts represent approximately 2/3 of all suppressions
  - Managed account holders authorize their manager to vote on their behalf, however cumulative fees are payable for each position

Note: While NYSE Rule 465 rates are "only *n* cents per transaction"(i.e. $0.45 -$1 + N&A, if applicable), the law of big numbers applies given the total number of beneficial street positions; we estimate that every $0.01 increment above cost transfers approx. $1.5 – $2.5 million to Broadridge and intermediaries in surplus fees.

Pricing observations

- **Issuer community irked by fee structure**
  - 87% of issuers who expressed an opinion on regulated fees in comment letters submitted in response to SEC's concept release believe fees are unnecessarily high

Under the current regulatory structure, brokers are required to perform proxy communications. They may outsource this obligation, but they don't have to pay their contracted vendors. Instead, they earn undisclosed rebates from them.

Issuers, on the other hand, receive overly complex, hefty invoices for services they cannot negotiate – they simply write the check.

- **Creating an open market solves price issues**
  - Issuers choose provider based on price, quality, and innovation

Mutual funds comparison

- **Computershare already conducts large-scale distribution**
  - Proxy services and mailing for 56 of the 100 largest mutual fund companies by asset size
- **When the broker is the issuer, price matters!**

Note: See Appendix A for more information on mutual funds.

Corporate proxy: Computershare pricing estimate

- **The following table compares estimated fees for both Broadridge and Computershare:**

	N&A	# of positions	# mail packs	BR fee per position	CPU fee per position	Total BR fees	Total CPU fees	Fee diff.	Issuer saving (%)
Issuer 1	N	2,000,000	1,100,000	$0.65	$0.30	$1,300,000	$600,000	$700,000	54%
Issuer 2	N	1,500,000	975,000	$0.64	$0.30	$960,000	$450,000	$510,000	53%
Issuer 3	Y	250,000	130,000	$0.87	$0.50	$217,000	$125,000	$92,500	43%
Issuer 4	Y	88,000	20,000	$1.17	$0.55	$103,130	$48,721	$54,409	53%
Issuer 5	Y	83,000	38,000	$1.06	$0.59	$88,106	$49,256	$38,850	44%
Issuer 6	N	48,000	8,500	$1.03	$0.20	$49,594	$9,576	$40,018	81%
Issuer 7	Y	6,000	3,100	$1.76	$1.22	$10,542	$7,319	$3,223	31%

STA study: October 14, 2010

- STA examined Broadridge bills from three issuers of varying sizes against average of six major TAs
  - Estimated cost savings to issuers of 20% to 71% if the market for proxy distribution and communications is opened to competition

	Issuer #1	Issuer #2	Issuer #3
Beneficial positions	6,000	48,000	88,000
Broadridge invoice	$10,100	$50,000	$100,000
TA invoice estimate	$8,027	$14,192	$40,434
Estimated savings	$2,073	$35,808	$59,566
% savings	20.52%	71.62%	59.57%

Computershare

Lexecon/Broadridge report: May 2010*

- **Not an apples-to-apples comparison**
  - Report uses theoretical savings when computing costs/fees
  - Omits Broadridge's cumulative fees (e.g., suppression fees, managed account fees, notice and access fees) for comparative purposes
  - Fees for registered shareholders are extremely volume sensitive, unlike beneficial proxies (fixed pricing based on number of beneficial accounts, i.e., < or > 200,000 accounts)
  - ***Registered holder fees are set by competitive market forces***
  - At least five times as many beneficial positions to registered holdings; the 5:1 ratio significantly influences pricing, since price is driven by volume
  - Many issuers pay TAs significantly less for registered proxies than they pay Broadridge for street-name proxies

* Though report was compiled in May, it wasn't released publicly until the same day the STA released its pricing study

Data aggregator "Hub"

- **Separate data aggregation from proxy distribution**
  - Establish not-for-profit industry utility to aggregate beneficial shareholder information
  - Open up distribution and communication services to fair-market competition
  - Report outlines the ease and relatively low cost of creating a "Hub" using existing infrastructure
  - Claims that a hub will drive up corporate proxy prices are most likely based on business protection/vested interest

NOTE: "Hub" report has been provided to the NYSE PFAC under separate cover.

Computershare

Data aggregator "Hub"

- **Logistics of a DTCC-based "Hub"**
  - Natural and logical role for DTCC
  - DTCC is not-for-profit, highly efficient network that connects major players
  - DTCC is also the legal owner of all stock held in street name form and is the first party to delegate voting authority
  - DTCC operates Networking for mutual funds
    - Pricing was initially $0.04 to $0.06 per name & is now a fraction of a cent
  - ***Can be developed in a 12-month period for $1 to $1.5 million with payback achievable in year one***
  - Five cents per name assessment is exceptionally conservative when compared with existing Networking pricing

Data aggregator “Hub”

- **Logistics of a DTCC-based “Hub” (cont’d)**
  - There are clear positioning, cost and time advantages to DTCC playing this role, given its positioning in the markets.
  - Other parties may be able to fulfill the “Hub” function: SWIFT, an SRO, data management companies, etc.

Summary

- **Policy and business case is clear**
  - Good for issuers
  - Good for investors
- **Advances goals of transparency, integrity and competition**
- **Financially, the hub can pay back in year one**
- **Excess returns to Broadridge/intermediaries will be freed up by competition and returned to issuers (and their owners) through lower processing costs**

Stop the madness!

www.ReformTheProxySystem.com

The Subcommittee on Proxy Reform Brought to you by

American Stock Transfer & Trust Co. | BNY Mellon Shareowner Services | Computershare

Continental Stock Transfer & Trust Co. | Georgeson | Registrar & Transfer Co.

Discussion/questions

Open discussion

Appendix A – Mutual fund data

› **Major fund cost projection, September 2009**

	# of accounts	Days to complete initial mailing	Total print, mail & tabulation costs	Cost per account
Computershare	23,097,790	9	$10,765,358	$0.466
Broadridge	30,431,611	23	$46,791,672	$1.538

Data compiled from Computershare invoices and project cost estimate.

Computershare

Appendix A – Mutual fund data

› **Major broker fund #1 cost projection, 2006**

	# of accounts	Days to complete initial mailing	Total print, mail & tabulation costs	Cost per account
Computershare	4,748,543	8	$3,176,803	$0.669
Broadridge	4,748,543	Unk.	$6,932,873 (est.)	$1.46

Projected Broadridge costs based on NYSE Regulated Fee Schedule

Appendix A – Mutual fund data

› **Major broker fund #2 cost projection, 2005**

	# of accounts	Days to complete initial mailing	Total print, mail & tabulation costs	Cost per account
Computershare	5,784,429	11	$6,733,093	$1.164
Broadridge	5,784,429	Unk.	$10,929,981 (est.)	$1.89

Projected Broadridge costs based on NYSE Regulated Fee Schedule

Appendix A – Mutual fund data

- **Major broker fund #3 cost projection, 2006**

	# of accounts	Days to complete initial mailing	Total print, mail & tabulation costs	Cost per account
Computershare	5,754,260	9	$4,063,978	$0.706
Broadridge	5,754,260	Unk.	$7,479,811 (est.)	$1.30

Projected Broadridge costs based on NYSE Regulated Fee Schedule