UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
CORPORATION FINANCE

September 22, 2021

Maria Allen
Broadridge Financial Solutions, Inc.
Maria.Allen@broadridge.com

Re: Broadridge Financial Solutions, Inc.
Incoming letter dated July 16, 2021

Dear Ms. Allen:

This letter is in response to your correspondence dated July 16, 2021 concerning the shareholder proposal (the "Proposal") submitted to Broadridge Financial Solutions, Inc. (the "Company") by James McRitchie (the "Proponent") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. We also have received correspondence on the Proponent's behalf dated August 20, 2021. Copies of all of the correspondence on which this response is based will be made available on our website at https://www.sec.gov/corpfin/2020-2021-shareholder-proposals-no-action.

The Proposal requests the Company's board to take steps necessary to amend the Company's certificate of incorporation and, if necessary, bylaws to become a benefit corporation.

We are unable to concur in your view that the Company may exclude the Proposal under rule 14a-8(i)(7). The Company's corporate structure is not a matter relating to the conduct of its ordinary business operations, but rather, an important issue that is appropriate for stockholders to address at a meeting. Accordingly, we do not concur that the Company may omit the Proposal from its proxy materials in reliance on rule 14a-8(i)(7).

We are also unable to concur in your view that the Company may exclude the Proposal under rule 14a-8(i)(3) because we are unable to conclude that you have demonstrated objectively that the Proposal is materially false or misleading. We are unable to concur in your view that the Company may exclude the Proposal under rule 14a-8(i)(10). In this regard, we note that the Proposal asked for an amendment of the Company's applicable governing documents to become a benefit corporation, and the Company has not taken any steps to do so.

Sincerely,

Rule 14a-8 Review Team

cc: Sara E. Murphy
The Shareholder Commons
sara@theshareholdercommons.com

FROM:
Frederick H. Alexander
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August 20, 2021

TO:
Office of Chief Counsel
Division of Corporation Finance

U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

RE: Shareholder Proposal Submitted to Broadridge Financial Solutions, Inc. Regarding Public Benefit Corporation Conversion on Behalf of James McRitchie

James McRitchie (the "Proponent") beneficially owns common stock of Broadridge Financial Solutions, Inc. (the "Company") and has submitted a shareholder proposal (the "Proposal") to the Company. I have been asked by the Proponent to respond to the letter dated July 16, 2021 (the "Company Letter") sent to the U.S. Securities and Exchange Commission (the "SEC") by Maria Allen ("Company Counsel"). In the Company Letter, the Company contends that the Proposal may be excluded from the Company's 2021 proxy statement. A copy of the Proposal is attached to this letter.

SUMMARY

The Proposal requests that the board of directors of the Company (the "Board") take steps necessary to amend the Company's certificate of incorporation and, if necessary, bylaws (including presenting such amendments to the shareholders for approval) to become a public benefit corporation (a "PBC"). The Proposal suggests that one of the public benefits included in the amendment be contributing to accurate, timely, cost-effective, and transparent proxy voting for diversified investors, or such other public benefits as the Board determines to provide similar positive effects on diversified investors.

The Company Letter cites three different reasons for exclusion in its request:

1. The Proposal may be omitted pursuant to Rule 14a-8(i)(7) because the Proposal deals with matters relating to the Company's ordinary business operations.

2. The Proposal may be omitted pursuant to Rule 14a-8(i)(10) because it has been substantially implemented.

3. The Proposal may be omitted pursuant to Rule 14a-8(i)(3) because the Proposal is misleading in violation of Rule 14a-9.

We respectfully submit that none of these reasons for omissions is applicable and that the Proposal must be included in the Company's 2021 proxy materials. A copy of this letter is being emailed concurrently to Company Counsel.

BACKGROUND

The request to exclude the Proposal under Rule 14a-8 is based on a series of misunderstandings of the provisions of the Delaware General Corporation Law that authorize PBCs. Accordingly, we begin with an explanation of the purpose and mechanics of Subchapter XV of the DGCL, "Public Benefit Corporations."[1]

A. Conventional Corporate Law

Prior to 2013, directors of all Delaware stock corporations were required to prioritize shareholder interests. While there has been a fierce, ongoing debate as to whether corporations should be managed for the benefit of only shareholders or a broader group of stakeholders,[2] the concept of shareholder primacy has dominated Delaware corporate law. A series of decisions by the Delaware courts cemented the place of shareholder primacy in the United States.[3]

The most important of these was the famous *Revlon* case decided by the Delaware Supreme Court in 1985.[4] Other Delaware authority has established that corporations exist primarily to generate shareholder value.[5] *eBay Domestic Holdings, Inc. v. Newmark*[6] is a more recent example of the Delaware focus on shareholder wealth maximization, even outside the sale context. The court embraced shareholder primacy, finding that it was a violation of the directors' fiduciary duties to make decisions primarily for the benefit of users of the corporation's platform:

> *Having chosen a for-profit corporate form, the craigslist directors are bound by the fiduciary duties and standards that accompany that form.*

[1] 8 Del. C. §361 et seq.
[2] Frederick Alexander, BENEFIT CORPORATION LAW AND GOVERNANCE: PURSUING PROFIT WITH PURPOSE (2018) at 21-26.
[3] Joan MacLeod Heminway, *Corporate Purpose and Litigation Risk in Publicly Held U.S. Benefit Corporations*, 40 SEATTLE UNIV. L. REV. 611, 613 (2017) ("Delaware decisional law is arguably particularly unfriendly to for-profit corporate boards that fail to place shareholder financial wealth maximization first in every decision they make.")
[4] *Revlon, Inc. v. MacAndrews & Forbes Holdings, Inc.*, 506 A.2d 173 (Del. 1986) (holding that when a corporation is to be sold in a cash-out merger, the directors' duty is to maximize the cash value to shareholders, regardless of the interests of other constituencies, because there is no long term for the shareholders).
[5] *See Katz v. Oak Indus. Inc.*, 508 A.2d 873, 879 (Del. Ch. 1986) ("It is the obligation of directors to attempt, within the law, to maximize the long-run interests of the corporation's stockholders; that they may sometimes do so 'at the expense' of others [*e.g.*, debtholders]… does not… constitute a breach of duty."); Leo E. Strine, Jr., *The Social Responsibility of Boards of Directors and Stockholders in Change of Control Transactions: Is There Any "There" There?*, 75 S. Cal. L. Rev. 1169, 1170 (2002) ("The predominant academic answer is that corporations exist primarily to generate stockholder wealth, and that the interests of other constituencies are incidental and subordinate to that primary concern.")
[6] 16 A.3d 1 (Del. Ch. 2010).

> *Those standards include acting to promote the value of the corporation for the benefit of its stockholders. The "Inc." after the company name has to mean at least that. Thus, I cannot accept as valid… a corporate policy that specifically, clearly, and admittedly seeks not to maximize the economic value of a for-profit Delaware corporation for the benefit of its stockholders.*[7]

The former Chief Justice of the Delaware Supreme Court has explained that the law clearly favors shareholders, stating, "a clear-eyed look at the law of corporations in Delaware reveals that, within the limits of their discretion, directors must make stockholder welfare their sole end, and that other interests may be taken into consideration only as a means of promoting stockholder welfare."[8]

B. Public Benefit Corporations

The doctrine of shareholder primacy has caused great consternation regarding the harm that it poses to stakeholders and the public.[9] In response, the benefit corporation option was created to provide a corporate form under which directors could prioritize interests other than those of shareholders. Beginning in 2010, U.S. jurisdictions began to adopt benefit corporation provisions, which created a corporate form that required directors to consider other stakeholder interests; a statute has now been adopted in 39 U.S. jurisdictions, one Canadian province and four other countries.[10]

Delaware's version, the PBC, was adopted in 2013. It allows any stock corporation to be formed as a PBC and any stock corporation that is not a PBC to amend its certificate of incorporation to become one.[11] Any such amendment must identify one or more public benefits, which are defined as "a positive effect (or reduction of negative effects) on one or more categories of persons, entities, communities or interests (other than stockholders in their capacities as stockholders) including, but not limited to, effects of an artistic, charitable, cultural, economic, educational, environmental, literary, medical, religious, scientific or technological nature."[12] As the Chief Justice of the Supreme Court of Delaware has said:

> *[T]he benefit corporation movement represents a refreshing and substantial step forward for those who believe that corporations—and all business entities—not only can, but should both do well by their investors,*

[7] *Id*. at 34-35 (referring to corporate justification for a shareholder rights plan meant to forestall a change in control that might threaten platform users' interests).
[8] Leo Strine, *The Dangers of Denial: The Need for a Clear-Eyed Understanding of the Power and Accountability Structure Established by the Delaware General Corporation Law* 50 WAKE FOREST LAW REV EW 761 (2015).
[9] *See generally,* Lynn Stout*,* THE SHAREHOLDER VALUE MYTH: HOW PUTTING SHAREHOLDERS FIRST HARMS INVESTORS, CORPORATIONS AND THE PUBLIC (2012).
[10] These totals represent our own hand count based in part on the data available from *The Social Enterprise Tracker,* available at https://socentlawtracker.org/#/map.
[11] 8 Del C. §362.
[12] *Id*.

> *but also their workers and the societies in which they operate.*[13]

PBC directors have modified obligations that do not prioritize shareholder interests over all others. Instead, as a PBC, a corporation is intended to operate in a "responsible and sustainable manner."[14] Specifically, the directors must balance three considerations: (1) the shareholders' financial interests, (2) the best interests of those materially affected by the corporation's conduct, and (3) a specific public benefit identified in the corporation's certificate of incorporation.[15] Thus, a PBC does not only serve shareholders and those named in the public benefit provision: the balancing duty runs to anyone materially affected by the corporation. This balancing obligation distinguishes PBCs from conventional corporations: rather than focusing solely on economic return to shareholders, a PBC must balance the interests of stakeholders other than shareholders as ends in themselves. Its purpose and its obligations are thus broader than financial return to shareholders.

For a conventional Delaware corporation to become a PBC, the board of directors must approve an amendment to the certificate of incorporation and then present that amendment to its shareholders for a vote.[16] In other words, the change is considered so fundamental that both director and shareholder approval is required.

Conversion to a PBC reconfigures the rights and duties of the board and shareholders. While the board maintains discretion under the business judgment rule, it is given responsibility to consider a broad range of stakeholder interests as ends in themselves, rather than only as means by which to satisfy shareholder interests in corporate financial returns.[17] Shareholders also gain new rights to bring lawsuits for relief in the event the board breaches its duties regarding stakeholders or the corporation's public benefit.

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[13] Leo Strine, *Forward,* in Alexander, *supra,* n.3

[14] 8 Del. C. §362.

[15] 8 Del. C. §365.

[16] 8 Del. C. §242.

[17] 8 Del. C. §365(b). This means that the traditionally broad discretion with respect to decisions remains in the hands of the board and management, with no more shareholder interference than in a conventional corporation. As one author described this element of the statute:

> *[T]he business judgment rule is a doctrine developed by the courts, which prohibits interference with board decisions made by disinterested and fully informed directors acting in good faith. [Chapter XV] states that this rule applies to all balancing decisions made by PBC directors.*

Alexander, *supra* n.3 at 93. In order to ensure that directors' discretion remains unimpeded for PBC's, the statute was amended in 2020 to clarify that ownership of corporate stock would not render a director "interested" and thus ineligible for the protections of the business judgment rule. Richards, Layton & Finger, *2020 Proposed Amendments to the General Corporation Law of the State of Delaware* ("the amendment clarifies that a director's ownership of or other interest in the stock of the public benefit corporation will not, of itself, create a conflict of interest on the part of the director with respect to any decision implicating the director's balancing requirements, except to the extent such ownership or other interest would create a conflict of interest if the corporation were a conventional corporation") available at https://www rlf com/2020-proposed-amendments-to-the-general-corporation-law-of-the-state-of-delaware/.

C. The Proposal Would Implement a Fundamental Change

The list of core business matters and constituencies in the Company Letter that may be affected by the Proposal does not change a fundamental truth: for a conventional corporation like the Company, those matters and constituencies must be considered through the lens of serving shareholder interests. *The Proposal would eliminate this priority.* As the author of the one leading Delaware-based law firm has advised in a memorandum to its clients:

> *Unlike directors of a conventional Delaware corporation, directors of a PBC are required to balance the pecuniary interests of stockholders, the best interests of those materially affected by the PBC's conduct and the public benefit identified in the PBC's charter…*
>
> *Delaware case law makes clear that the primary purpose of a conventional corporation is to generate long-term stockholder value, except under certain limited circumstances (e.g., in the context of a sale of the company). As a result, directors of conventional corporations may consider other constituencies but only to the extent the interests of such other constituencies align with the long-term wealth maximization of the corporation's primary stakeholder – its stockholders. See, e.g., eBay Domestic Holdings, Inc. v. Newmark, 16 A.3d 1, 33 (Del. Ch. 2010) ("Having chosen a for-profit corporate form, the craigslist directors are bound by the fiduciary duties and standards that accompany that form. Those standards include acting to promote the value of the corporation for the benefit of its stockholders").*[18]

Another leading Delaware law firm made exactly this point in a recent memorandum to another issuer: JPMorgan Chase & Co. had received a shareholder proposal asking the board to evaluate the issue of becoming a PBC. JPMorgan Chase immediately implemented the proposal by obtaining a report (the "Richards Report"), which stated:

> *Because the interests of customers, employees, suppliers, and the community in general are often key to the success of the corporation (and therefore are aligned with the interests of the corporation's stockholders), directors of conventional corporations may, consistent with their fiduciary duties, consider such stakeholder interests in making decisions. If the interests of the stockholders and the other constituencies conflict, however, the board's fiduciary duties require it to act in a manner that*

[18] *Delaware Makes it Easier for Corporations to Become Public Benefit Corporations,* Potter, Anderson & Corroon, LLP Client Alert (July 20, 2021), available at https://www potteranderson com/newsroom-news-Delaware-Makes-it-Easier-for-Corporations-to-Become-Public-Benefit-Corporations.html, last visited February 21, 2021.

> *furthers the interests of the stockholders.*
>
> *In a public benefit corporation, on the other hand, directors are required to manage the corporation in a manner that balances the pecuniary interest of the stockholders, the best interests of those materially affected by the corporation's conduct, and the specific public benefit or benefits identified in its certificate of incorporation.*[19]

ANALYSIS OF COMPANY ARGUMENTS FOR EXCLUSION

The Proposal Cannot Be Excluded as Ordinary Business Under Rule 14a-8(i)(7)

1. *The Proposal Seeks an Extraordinary Transaction, Not Ordinary Business*

Contrary to the Company's assertions, the Proposal does not relate to the Company's ordinary business, because it involves an extraordinary transaction: amending the certificate of incorporation to alter the rights and obligations of the board to account for stakeholder interests, and creating new rights of shareholders for relief if the board neglects those interests. The Delaware legislature deemed this change to fiduciary duties so important that it could only be made by an amendment that required board action followed by shareholder approval.

Because of the fundamental nature of a change in fiduciary duties, the Delaware legislature requires a shareholder vote to implement PBC status. The change in governance contemplated by the Proposal is the opposite of ordinary—it is nothing short of extraordinary to change directors' fiduciary duties, as Subchapter XV reflects.

The fact that shareholders have a place in the process also demonstrates the propriety of a request from shareholders for the board to act. The issue is not a matter reserved to the sole discretion of the board, but one that the Delaware legislature found appropriate for shareholder engagement as well. As a matter of state law, the issue is within the zone of interest of shareholders, and not a matter reserved to the discretion of the board or considered ordinary business.

Staff positions on prior proposals are clear on this: for example, proposals requesting that a company reincorporate in a more investor-friendly state—which would similarly require board approval followed by a shareholder vote to change important rights—were found to be non-excludable under Rule 14a-8(i)(7) in *Lowes Companies Inc*. (March 19, 2009) and *American International Group* (March 16, 2009). The registrants argued that the proposal merely related to the determination and implementation of business strategies, and therefore to ordinary business operations. But the proponent argued the proposals related not to mere business decisions but rather to major determinations that would affect the rights and interests of shareholders. The Staff found that the proposals were not excludable under Rule 14a-8(i)(7).

[19] Richards, Layton and Finger, *Report to the Board of Directors of JPMorgan Chase & Co. Regarding Public Benefit Corporations.* Available at https://www sec gov/divisions/corpfin/cf-noaction/14a-8/2021/harringtonjpmorgan011121-14a8-incoming pdf last visited February 21, 2021.

Certainly, a change to the very purpose of the Company from shareholder priority to shared priority among shareholders, workers, communities, and others is no less extraordinary than reincorporation to a more investor-friendly jurisdiction. Indeed, in three instances in the Spring 2021 proxy season, the Staff declined to permit exclusion of proposals asking directors to take the steps necessary to become a PBC: *3M Corporation* (March 9, 2021), *Alphabet, Inc (*April 16, 2021), and *Tractor Supply Company* (March 9, 2021).

2. *The Proposal Transcends Ordinary Business*

In addition to addressing an extraordinary transaction, the Proposal transcends ordinary business because it addresses a significant policy issue, as the prior quote from Chief Justice Strine makes clear. The recent Business Roundtable Statement on the Purpose of a Corporation (the "BRT Statement"),[20] signed by more than 180 of the nation's largest corporations, highlights this issue by acknowledging the critical nature of the relationship between a corporation and its stakeholders. But while it recognized the issue, it also sidestepped it, much as did the commentators to whom the former Delaware Chief Justice referred in another passage:

> *Rather than fighting to change the corporate law statutes… these good-hearted, but often faint-willed, commentators just urge the directors to "do the right thing."*[21]

The Company Letter follows a similar path: it highlights activities the Company has chosen to pursue that benefit its stakeholders in the course of its business operations, but not its failure to adopt the PBC legal structure, which would permit it to prioritize those interests, even if that meant not maximizing shareholder value. Not once in the Company Letter is there any acknowledgment of the fact that the Company must prioritize financial return whenever it comes into conflict with the interests of the proxy voters and the trillions of dollars of invested capital that they represent.

The reaction to the BRT Statement's issuance (as well as the number of companies signing on) in August 2019 demonstrated the policy significance of addressing shareholder primacy. One dubious commentator noted that "For many of the BRT signatories, truly internalizing the meaning of their words would require rethinking their whole business."[22] Others noted the importance of the change, but also that it was meaningless without ending shareholder primacy:

> *Ensuring that our capitalist system is designed to create a shared and durable prosperity for all requires this culture shift. But it also requires corporations, and the investors who own them, to go beyond words and*

[20] https://www.businessroundtable.org/business-roundtable-redefines-the-purpose-of-a-corporation-to-promote-an-economy-that-serves-all-americans, last visited February 21, 2021.
[21] *Id.*
[22] Andrew Winston, *Is the Business Roundtable Statement Just Empty Rhetoric?* HARVARD BUSINESS REVIEW (August 30, 2019).

> *take action to upend the self-defeating doctrine of shareholder primacy.*[23]

Other commentators were worried not that the BRT Statement failed to go far enough, but rather that it went too far:

> *Asking corporate managers to focus more on improving society and less on making profits may sound like a good strategy. But it's a blueprint for ineffective and counterproductive public policy on the one hand, and blame-shifting and lack of accountability on the other. This is a truth Milton Friedman recognized nearly five decades ago — and one that all corporate stakeholders ignore today at their peril.*[24]

The author of the articles is referring to Milton Friedman's famous article, which stated:

> *[T]he doctrine of 'social responsibility' taken seriously would extend the scope of the political mechanism to every human activity. It does not differ in philosophy from the most explicitly collectivist doctrine. It differs only by professing to believe that collectivist ends can be attained without collectivist means. That is why, in my book Capitalism and Freedom, I have called it a 'fundamentally subversive doctrine' in a free society, and have said that in such a society, 'there is one and only one social responsibility of business—to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud.*[25]

The outpouring of commentary around the BRT Statement[26] raises two related but distinct significant policy issues: first, should corporations focus more on stakeholders' interests and if so, is a legal change to reject shareholder primacy necessary or desirable? In a conventional corporation, stakeholders' interests are subordinate to the interests of shareholders—the board of directors or management can consider stakeholder interests only to the degree that they serve shareholder interests.[27] Many commentators on the Statement believe it is necessary but insufficient on its own because attaining a fair and durable prosperity will sometimes demand that companies put the interests of stakeholders over those of shareholders.

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[23] Jay Coen-Gilbert, Andrew Kassoy and Bart Houlihan, *Don't believe the Business Roundtable has changed until its CEOs' actions match their words,* FAST COMPANY (August 22, 2019).
[24] Karl Smith *Corporations Can Shun Shareholders, But Not Profits,* BLOOMBERG OPINION (August 27, 2019).
[25] Milton Friedman, *The Social Responsibility of Business Is to Increase Its Profits* N.Y. T MES, Sept. 13, 1970 (magazine).
[26] One more recent event has unleashed a second rush of commentary around the shareholders v. stakeholders question: the 2020 recognition of the 50th anniversary of Friedman's essay. See, e.g., *Friedman 50 Years later,* PROMARKET (collecting 27 essays about Friedman's article and its legacy) (Stigler Center for the Study of the Economy and the State).
[27] *See supra,* nn.18 & 19 and accompanying text.

The clearest signal of the significance of the policy issue is legislative action to address the issue around the nation and the world. Legislatures have acted in 39 U.S. jurisdictions, the Canadian province of British Columbia, and the countries of Italy, Colombia, Rwanda, and Ecuador over the last decade to make this new form available. In addition, legislation was introduced in the last U.S. Congress in both houses that would have imposed benefit corporation duties on the directors of all billion-dollar companies.[28] The issue even surfaced in the most recent U.S. presidential election, as one candidate decried "the era of shareholder capitalism."[29] In response, critics argued that favoring shareholders was the best recipe for a successful economy:

> *In reality, corporations do enormous social good precisely by seeking to generate returns for shareholders.*[30]

Shareholder proposals involve significant social policies if they involve issues that engender widespread debate, media attention, and legislative and regulatory initiatives.[31] A Proposal to end shareholder primacy at a corporation meets that test. Shareholder primacy is clearly an issue of great policy significance being addressed in legislatures around the country and the world, and even in the latest race for the U.S. presidency.

Moreover, the Company's decision not to address its legal strictures matters deeply. In a recent study, asset manager Schroders determined that publicly listed companies imposed social and environmental costs on the economy with a value of $2.2 trillion annually—more than 2.5 percent of global GDP and more than half of the profits those companies earned.[32] These costs have many sources, including pollution, water withdrawal, climate change, and employee stress. The study shows exactly the areas where corporations are likely to ignore stakeholder interests to the detriment of the global economy.

By participating in this common corporate practice of prioritizing the financial return to its shareholders above all stakeholder concerns, corporations harm those very shareholders, the vast majority of whom

[28] Copies of the legislation are available here: https://www.congress.gov/bill/116th-congress/senate-bill/3215?q=%7B%22search%22%3A%5B%22accountable+capitalism+act%22%5D%7D&s=1&r=1 (Senate) and here: House: https://www.congress.gov/bill/116th-congress/house-bill/6056?q=%7B%22search%22%3A%5B%22accountable+capitalism+act%22%5D%7D&s=2&r=2 (House), sites last visited February 21, 2021.

[29] *Biden says investors 'don't need me,' calls for end of 'era of shareholder capitalism',* (CNBC) (July 9, 2020), available at https://www.cnbc.com/2020/07/09/biden-says-investors-dont-need-me-calls-for-end-of-era-of-shareholder-capitalism.html, last visited February 21, 2021.

[30] Andy Pudzer, *Biden's Assault on 'Shareholder Capitalism,* (Wall Street Journal) (August 17, 2020), available at https://www.wsj.com/articles/bidens-assault-on-shareholder-capitalism-11597705153.

[31] JD Supra, *SEC Staff's Latest Guidance Presents Dilemma for Companies Seeking to Exclude Shareholder Proposals on Environmental and Social Issues* (January 4, 2018) ("In a June 30, 2016 stakeholder meeting, the Staff indicated that significant policy issues are matters of widespread public debate, which include legislative and executive attention and press attention.)

[32] Andrew Howard, *SustainEx: Examining the social value of corporate activities,* Schroders (April 2019), available at https://www.schroders.com/en/sysglobalassets/digital/insights/2019/pdfs/sustainability/sustainex/sustainex-short.pdf.

are diversified.[33] Such shareholders and beneficial owners suffer when companies follow the shareholder primacy model and impose costs on the economy that lower GDP, which reduces overall equity value.[34] Thus, while corporations may increase their isolated return to shareholders under the rule of shareholder primacy by ignoring the costs they externalize to stakeholders, their diversified shareholders will ultimately pay these costs. Such shareholders would benefit from corporate governance that enabled corporations to prioritize the stakeholders to whom the BRT Statement refers. This is certainly true of a corporation like the Company, one of whose primary constituencies are those shareholders in their capacity as corporate voters.

Thus, the Proposal addresses a significant policy issue that is not excludable for purposes of Rule 14a-8(i)(7). Consistent with the foregoing analysis, questions around duties to stakeholders have not been excluded under 14a-8(i)(7) in recent staff decisions in Bank of America Corporation (February 12, 2020), Goldman Sachs Inc. (February 25, 2020), and Citigroup Inc. (February 25, 2020), as well as the three instances previously cited in which the Staff did not permit exclusion of PBC proposals.

3. The Proposal Does Not Micromanage

The Proposal does not micromanage the Company but rather requests that the Board initiate an extraordinary action Delaware law establishes as a matter that requires the approval of the shareholders as well as the board of directors.

Far from constituting micromanagement—focusing on any single activity or operation—PBC status would overlay every decision, allowing the directors to authentically balance the interests of proxyholders, corporate customers, workers, and others without dictating the outcome of any decision, so that all the matters mentioned in the Company Letter would remain entirely in the hands of the Board and management under the business judgment rule.[35] Indeed, if the Company went forward with the Proposal and became a PBC, directors would have *increased* discretion with respect to matters that implicate stakeholder interests, and granting increased discretion is the polar opposite of micromanaging.

The precedents cited in the Company Letter involve completely different types of proposals. The *Exxon Mobil* (March 6, 2020) and *Johnson & Johnson* (Feb. 12, 2020) proposals involve the appointment of committees or grant awards—specific elements of decisions. In contrast, the Proposal does not address or dictate any specific decision: it merely strengthens the hand of the board of directors by giving it greater discretion to prioritize the interests of stakeholders. While the Company asserts that the Proposal "is a thinly disguised attempt to micromanage the execution of Broadridge's proxy services," the Company cannot cite a single decision the Proposal would dictate. Moreover, the claim that the Proposal

[33] Indeed, as of the September 2020, the top five holders of the Company's shares were mutual fund companies with indexed or otherwise broadly diversified portfolios.

[34] See, e.g., Warren Buffett and Carol Loomis, *Warren Buffett on the Stock Market,* Fortune (December 10, 2011). (Total market capitalization to GDP "is probably the best single measure of where valuations stand at any given moment.")

[35] In cases where a higher standard of review applied because of board conflicts or entrenchment concerns, any limitation on board discretion would be the same as the limits that would otherwise apply to a conventional corporation. Alexander, *supra* n. 2, Chapter 8.

"would unduly intrude on Broadridge's discretion to provide its proxy services in the manner in which it so chooses" demonstrates a fundamental misunderstanding of Delaware law. A conversion to a PBC would *broaden the discretion of the board of directors, not narrow it.* The Proposal starts from the settled proposition that current law restricts the hand of management to choices that maximize value and asks shareholders to vote to request that the Company take steps to free itself from those strictures. Again, this is the opposite of micromanagement.

The Company Letter then turns to the specific public benefit suggested in the Proposal, which is "contributing to accurate, timely, cost-effective, and transparent proxy voting for diversified investors, or such other public benefits as the Board of Directors determines to provide similar positive effects on diversified investors." First, in claiming that the specified benefit constitutes micromanagement by taking away board discretion, the Company Letter conveniently failed to quote the underscored portion of the Proposal, which recognized the appropriateness of board participation in this decision—again, the opposite of micromanagement.

But even focusing just on the suggested public benefit, the Company Letter again confuses corporate purpose—a completely appropriate question for shareholder action—with day-to-day strictures over implementation, which is the type of parameter that the Staff has found to constitute micromanagement. The Proposal suggests that the Company treat the provision of a valuable service (voting tabulation and related services) as an end, rather than simply offering such service as a means to make money. The Proposal does not propose how the Company is to achieve that goal, a question of implementation left to the board and management. The precedents cited in the Company Letter make it clear that proposals excluded for micromanagement are completely different from the Proposal. *See, e.g., CoreCivic, Inc.* (March 15, 2019) (excluding proposal for adoption of specific policies for immigrant detainees).

The Staff has said, "The purpose of the exception is 'to confine the resolution of ordinary business problems to the management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting.'"[36] Effecting the Proposal will leave problem-solving firmly in the hands of the Board and management. Indeed, the enactment of the suggested Amendment would enhance rather than limit the directors' discretion by allowing directors to add other considerations and priorities other than shareholder interests. This concept is written right into the statute: as discussed above, Section 365 fully preserves the discretion of the board with respect to business decisions but expands the purposes that can be addressed. The Proposal would thus give the Company's directors and executives greater leeway on every matter listed in the Company Letter, rather than in any way confining or dictating such decisions.

[36] Staff Legal Bulletin No. 14I (2017) (citing Release No. 34-40018 (May 21, 1998).

The Proposal has not been substantially implemented and thus should not be excluded under Rule 14a-8(i)(10).

As a matter of Delaware law, it is impossible for the Proposal to have been implemented at all, let alone substantially. As directors of a conventional corporation, the Company's directors would be violating their duties if they prioritized stakeholder interests over those of shareholders, which is the sole feature of the Proposal. Chapter XV imposes a clear set of procedures that must be followed before a corporation's directors are able to prioritize stakeholders alongside (or even above) shareholders, as the Proposal requests. Because of the sheer implausibility of the claim that the Proposal has been implemented, the Company Letter attempts to rewrite the Proposal to include a very different goal:

> *Broadridge's policies, practices and procedures, and the Company's public disclosure of the same, all indicate that Broadridge has substantially implemented the essential objective of Proposal, which is to contribute to accurate, timely, cost-effective, and transparent proxy voting.*[37]

But of course, the Proposal does not ask the Company simply to improve certain services; it asks the Company to eliminate a legal restriction on prioritizing the interests that those services address. That is why the Proposal can only be implemented substantially or completely through an amendment to the certificate of incorporation that changes the directors' fiduciary duties.

The long list of policies, contracts, audits, and report cards in the Company Letter (many of which are not publicly available) that involve consideration of, or even catering to, other stakeholder interests cannot change this fundamental truth: all those policies and actions are consistent with running a business for the primary purpose of optimizing financial return to shareholders. But that is very different from prioritizing their interests as the Proposal requests. The Proposal asks the Company to put itself in a legal position that allows it to prioritize its role as "the infrastructure that supports the investing, governance and communications requirements of numerous firms in the financial services industry"[38] over financial returns to its own shareholders. As stated in the Company's own Corporate Governance guidelines, the role of the Board is ultimately to promote the interests of its own shareholders, and nothing else:

> *The Board of Directors (the "Board") of Broadridge Financial Solutions, Inc. (the "Company"), acting on the recommendation of its Governance and Nominating Committee, has adopted these corporate governance principles to promote the effective functioning of the Board and its committees, to promote the interests of stockholders, and to ensure a common set of expectations as to how the Board and its committees,*

[37] Company Letter at 12.
[38] Company Letter at 3 (emphasis added.)

individual Directors and management should perform their functions.[39]

The Staff has rejected this argument in the past. See *Tractor Supply Company* (March 9, 2021), which rejected the argument that a proposal to implement a PBC amendment should be excluded as substantially implemented based on the Company's procedures, policies, guidelines, and actions, which operated so as to benefit stakeholders even while the issuer remained a conventional corporation. **The factual statements contained in the Proposal and supporting statement are unassailable, so the Proposal should not be excluded under Rule 14a-8(i)(10).**

Recognizing that the Proposal and supporting statement present basic facts about corporate law and publicly expressed concerns about the overall proxy system (and not the Company itself), the Company Letter relies on imagined slights to argue that the Proposal is misleading. First, it points to "insinuation." The Company Letter then points to what the Proposal "misleadingly implies" and "further implies," and finally argues that "[f]urthermore, the Proposal's implication" is misleading.

It is clear from these circumlocutions that the Company recognizes that nothing in the actual Proposal or statement is misleading. They have just chosen to read it that way. In short, the Proposal and statement simply express the inarguable points:

1. The Company is a linchpin in the U.S. proxy system. Not only is this unassailable, the Company Letter echoes the point: "Broadridge's solutions and services also act as the infrastructure that supports the investing, governance and communications requirements of numerous firms in the financial services industry."[40]

2. Delaware law requires that the Company prioritize shareholder financial return over the interests of the stakeholders served by this infrastructure.

3. There is a significant concern about transparency, pricing, and accuracy in the corporate voting system. As a 2019 report from the SEC's own Investor Advisory Committee stated:

> *A consensus appears to exist that the current proxy system generates routine and at times significant problems. As noted in its 2010 Concept Release, SEC "staff often receives complaints from individual investors about the administration of the proxy system," including "technical problems with electronic voting platforms offered by proxy service providers and failures by [companies] to respond to shareholder complaints about proxy-related matters." The Release went on to recount problems associated with over-voting, under-voting, and lack of*

[39] Broadridge Financial Services, Inc Corporate Governance Principles, available at https://s1.q4cdn.com/204858996/files/doc_governance/2021/BROADRIDGE2019-73599-v1-Corporate_Governance_Principles_2021_Final.pdf (last visited August 13, 2021).
[40] Company Letter at 3 (emphasis added.)

> *information about vote outcomes (i.e., whether intermediaries correctly submitted the right number of vote instruction forms **(VIFs)** and whether those VIFs were followed) and the impact of share lending on voting entitlements…*
>
> *Nor is the current system problematic simply because companies are not paying much for it. A problem-plagued, delayed, and often inaccurate vote count is not cheap. For example, the 2002 contested vote on the merger of Hewlett Packard and Compaq required the companies to pay a reported $1 million vote-counting fee to the vote tabulator. Because intermediaries are legally guaranteed reimbursement for costs in distributing proxy materials, and because aspects of the proxy system appear to reflect a natural monopoly, it is not clear that market pressures on the price of proxy services are currently as strong as it would ordinarily be in a competitive setting.*[41]

The Company has simply not made a credible claim that anything in the Proposal or Statement is misleading.

CONCLUSION

Based on the foregoing, we believe it is clear that the Company has provided no basis for the conclusion that the Proposal is excludable from the 2021 proxy statement pursuant to Rule 14a-8. As such, we respectfully request that the Staff inform the company that it is denying the no-action letter request. If you have any questions, please contact me.

Sincerely,

Frederick Alexander

cc: Maria Allen
James McRitchie

[41] Recommendation from the Investor-as-Owner Subcommittee of the SEC Investor Advisory Committee Proposal for a Proxy Plumbing Recommendation (July 22, 2019) at 2-4.

PROPOSAL

[Broadridge Financial Services, Inc. Rule 14a-8 Proposal]
[This line and any line above it – *Not* for publication.]

ITEM 4* – Transition to Public Benefit Corporation

RESOLVED: **Company shareholders request our Board of Directors take steps necessary to amend our certificate of incorporation and, if necessary, bylaws (including presenting such amendments to the shareholders for approval) to become a benefit corporation. Shareholders request that one of the public benefits included in the amendment be contributing to accurate, timely, cost-effective, and transparent proxy voting for diversified investors, or such other public benefits as the Board of Directors determines to provide similar positive effects on diversified investors.**

SUPPORTING STATEMENT: The Company processes proxies for more than 80% of all U.S. equities and more than 90% of stocks held by the Depository Trust Company, which is the record holder for the vast majority of shares held by banks and brokers.[42] This makes it a crucial link in the voting system that ensures public companies are acting in accordance with the directions of investors.

As a conventional corporation, the Company prioritizes its own financial return. In contrast, as a PBC, it would balance the interests of shareholders, stakeholders, and those public benefits identified in the Company's certificate of incorporation,[43] allowing it to protect diversified investors, even when doing so did not optimize financial return. This would allow it to prioritize accurate, transparent transmission of investor votes.

There is consensus that the current proxy system is subject to significant problems and that the publicity around these problems undermines the legitimacy of U.S. corporate governance and capital markets.[44] The Company's monopoly position allows it to maximize its own profits without necessarily addressing these concerns, thus jeopardizing the markets that support the economy and the interests of diversified investors.

This threatens the Company's diversified shareholders: the relatively small amount of increased Company return will not likely compensate for the threat to shareholders' ability to express their preferences as investors with respect to their entire portfolios. Moreover, diversified shareholders lose financially if the Company externalizes the cost of an inaccurate, opaque, and over-priced proxy system, because diversified shareholders internalize those costs that slow the economy overall.[45]

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[42] *See Recommendation from the Investor-as-Owner Subcommittee of the SEC Investor Advisory Committee (IAC) Proposal for a Proxy Plumbing Recommendation* (July 22, 2019).
[43] 8 Del C, §365.
[44] *See Recommendation, supra,* n.1.
[45] *See Universal Ownership: Why Environmental Externalities Matter to Institutional Investors,* Appendix IV (demonstrating linear relationship between GDP and a diversified portfolio) available at

Shareholders deserve an opportunity to vote on an amendment that will align governance with shareholder interests and create meaningful accountability.

Please vote for: Transition to Public Benefit Corporation – Proposal [4*]

[This line and any below are *not* for publication]
Number 4* to be assigned by the Company

https://www.unepfi.org/fileadmin/documents/universal_ownership_full.pdf; cf. https://www.advisorperspectives.com/dshort/updates/2020/11/05/market-cap-to-gdp-an-updated-look-at-the-buffett-valuation-indicator (total market capitalization to GDP "is probably the best single measure of where valuations stand at any given moment") (quoting Warren Buffet).

July 16, 2021

By Electronic Mail

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Re: Broadridge Financial Solutions, Inc. — Shareholder Proposal Submitted by James McRitchie

Ladies and Gentlemen:

On behalf of Broadridge Financial Solutions, Inc. (the "Company" or "Broadridge"), I am submitting this letter pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934 (the "Exchange Act") to request confirmation from the staff of the Division of Corporation Finance (the "Staff") that it will not recommend enforcement action to the U.S. Securities and Exchange Commission (the "SEC" or "Commission") if the Company excludes a shareholder proposal (the "Proposal") submitted by James McRitchie (collectively with his designated representative, Sara E. Murphy, the "Proponent") from the proxy materials for its 2021 annual meeting of shareholders. A copy of the Proposal, which requests that the Company amend its certificate of incorporation to become a public benefit corporation, and the cover letter to the Proposal are attached hereto as Exhibit A.

In accordance with Staff Legal Bulletin No. 14D (Nov. 7, 2008), we are emailing this letter to the Staff at shareholderproposals@sec.gov. We are simultaneously sending a copy of this letter to the Proponent as notice of the Company's intent to omit the Proposal from its 2021 proxy materials in accordance with Exchange Act Rule 14a-8(j). We take this opportunity to inform the Proponent that a copy of any correspondence he submits to the Commission or the Staff with respect to the Proposal should be provided concurrently to the Company pursuant to Rule 14a-8(k) and Staff Legal Bulletin No. 14D.

THE PROPOSAL

The Proposal states:

RESOLVED: Company shareholders request our Board of Directors take steps necessary to amend our certificate of incorporation and, if necessary, bylaws (including presenting such amendments to the shareholders for approval) to become a benefit corporation. Shareholders request that one of the public benefits included in the amendment be contributing to accurate, timely, cost-effective, and transparent proxy voting for diversified investors, or such other public benefits as the Board of Directors determines to provide similar positive effects on diversified investors.

The supporting statement accompanying the Proposal further states the following (footnotes omitted):

> The Company processes proxies for more than 80% of all U.S. equities and more than 90% of stocks held by the Depository Trust Company, which is the record holder for the vast majority of shares held by banks and brokers. This makes it a crucial link in the voting system that ensures public companies are acting in accordance with the directions of investors.
>
> As a conventional corporation, the Company prioritizes its own financial return. In contrast, as a PBC, it would balance the interests of shareholders, stakeholders, and those public benefits identified in the Company's certificate of incorporation, allowing it to protect diversified investors, even when doing so did not optimize financial return. This would allow it to prioritize accurate, transparent transmission of investor votes.
>
> There is consensus that the current proxy system is subject to significant problems and that the publicity around these problems undermines the legitimacy of U.S. corporate governance and capital markets. The Company's monopoly position allows it to maximize its own profits without necessarily addressing these concerns, thus jeopardizing the markets that support the economy and the interests of diversified investors.
>
> This threatens the Company's diversified shareholders: the relatively small amount of increased Company return will not likely compensate for the threat to shareholders' ability

to express their preferences as investors with respect to their entire portfolios. Moreover, diversified shareholders lose financially if the Company externalizes the cost of an inaccurate, opaque, and over-priced proxy system, because diversified shareholders internalize those costs that slow the economy overall.

Shareholders deserve an opportunity to vote on an amendment that will align governance with shareholder interests and create meaningful accountability.

BASES FOR EXCLUSION

We request that the Staff concur in our view that the Proposal may be excluded from the Company's 2021 proxy materials pursuant to Rule 14a-8(i)(7), because the Proposal seeks to deal with a matter relating to the Company's ordinary business operations, pursuant to Rule 14a-8(i)(10), because the Company has already substantially implemented the Proposal, and pursuant to Rule 14a-8(i)(3), because the Proposal is materially false and misleading in violation of Rule 14a-9 of the Exchange Act.

BACKGROUND — BROADRIDGE'S PROXY SERVICES

Broadridge is a global financial technology company that provides investor communications and technology solutions to banks, broker-dealers, asset and wealth managers and corporate issuers. The Company provides financial services firms with advanced, dependable, scalable and cost-effective services. Broadridge's solutions and services also act as the infrastructure that supports the investing, governance and communications requirements of numerous firms in the financial services industry.

Broadridge's Investor Communication Solutions business provides a range of services relating to proxy voting at public companies and mutual funds. These services are designed to help the Company's clients manage their respective obligations regarding the processing and distribution of proxy materials to investors and related vote processing. The specific services that Broadridge offers include proxy processing and distribution services to registered and beneficial holders, proxy and annual report document management solutions, and virtual shareholder meeting services. ProxyEdge, the Company's electronic proxy delivery and voting solution for institutional investors and financial advisors, helps facilitate the voting participation of beneficial holders, while Broadridge's ProxyVote platform is a digital proxy voting service that gives shareholders the ability to view proxy materials and cast their votes electronically.

ANALYSIS

I. The Proposal should be excluded under Rule 14a-8(i)(7) because it seeks to deal with a matter relating to the Company's ordinary business operations.

Rule 14a-8(i)(7) permits the exclusion of a shareholder proposal from a company's proxy materials if the proposal "deals with a matter relating to the company's ordinary business operations." The Commission has stated that the purpose of the ordinary business exception is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting." *Amendments to Rules on Shareholder Proposals*, SEC Rel. No. 34-40018 (May 21, 1998). The Commission has further stated that the policy underlying this exclusion rests on two "central considerations," specifically whether the proposal (i) concerns tasks that are "so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight" and (ii) "seeks to 'micromanage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." *Id.*

Staff Legal Bulletin No. 14K (Oct. 16, 2019) ("SLB 14K") provides that, when analyzing a proposal to determine its underlying concern or central purpose, the Staff looks not only to the resolved clause, but to the supporting statement and the proposal in its entirety. This position is not only expressed in SLB 14K, but also in Staff Legal Bulletin Nos. 14J, 14E and 14C, which all state that the Staff will consider both the resolved clause and the supporting statement when analyzing a proposal for which exclusion is sought under Rule 14a-8(i)(7).

A. The Proposal should be excluded under Rule 14a-8(i)(7) because it concerns Broadridge's ordinary business operations.

The Proposal is Focused on Broadridge's Proxy Services which are Ordinary Business Operations

The Proposal requests that Broadridge's board of directors amend the Company's certificate of incorporation and, if necessary, bylaws to become a "[public] benefit corporation." Although the Proposal ostensibly relates to the conversion to a public benefit corporation, the focus of the Proposal is Broadridge's proxy services. The final sentence of the Proposal and the supporting statement show that converting to a public benefit corporation is a subsidiary element of the Proposal's larger and core focus on the Company's proxy services and role in the proxy system.

These proxy services are the essence of Broadridge's day-to-day business operations. Because the purpose of the Proposal's request for the Company to become a public benefit corporation is to change the way in which Broadridge provides proxy services to clients, exclusion under Rule 14a-8(i)(7) is warranted.

As noted above, Broadridge's Investor Communication Solutions business processes and distributes proxy materials to investors in equity securities and mutual funds and facilitates the related processing and voting of proxies. The Proposal is focused on these processes, as evidenced by statements asserting that the Company's "position allows it to maximize its own profits," that there is "consensus" that the "proxy system is subject to significant problems" and that these undermine "the legitimacy of U.S. corporate governance and capital markets." The Proposal further claims that Broadridge "externalizes the cost of an inaccurate, opaque, and over-priced proxy system," which causes "diversified shareholders [to] lose financially" because "diversified shareholders internalize those costs." The Proposal seeks to address these alleged deficiencies in the Company's operations and the proxy system by having the Company become a public benefit corporation, so that it "would balance the interests" of stakeholders, shareholders and diversified investors when providing its proxy services. The Proposal would thus attempt to do indirectly what Rule 14a-8(i)(7) is intended to preclude, namely direct the Company's ordinary business operations.

The Proposal also describes specific language to be included in the amendments that would convert Broadridge into a public benefit corporation, and this language indicates that the Proposal is focused on the Company's proxy services. The resolved clause of the Proposal states that the Company's governing documents converting it to a public benefit corporation should specifically include and mandate one such alleged "public benefit," namely the "accurate, timely, cost-effective, and transparent ***proxy voting*** for diversified investors." (Emphasis added). This reference to proxy voting parallels the supporting statement's claim that "[converting to a public benefit corporation] would allow [Broadridge] to prioritize accurate, transparent transmission of investor votes." It is clear from this language that converting Broadridge to a public benefit corporation is simply a way to direct and influence the processes and pricing of Broadridge's proxy services. As these proxy services are clearly part of Broadridge's ordinary business operations, specifically the operations of its Investor Communication Solutions business, the Proposal should be excludable under Rule 14a-8(i)(7).

Exclusion of the Proposal under Rule 14a-8(i)(7) Would be Consistent with the Staff's Ordinary Business Precedents

The Proposal concerns the Company's proxy services and further probes into many aspects of delivering and pricing those services to clients. The Staff has long permitted the exclusion of proposals that concern a company's products and services. The Staff has stated that "[p]roposals concerning the sale of particular services are generally excludable under [R]ule 14a-8(i)(7)." *See JPMorgan Chase & Co.* (Mar. 16, 2010) (proposal requesting that the company cease its current practice of issuing refund anticipation loans was excludable under Rule 14a-8(i)(7) as it concerned the sale of particular services). Similarly, the Staff has permitted exclusion under Rule 14a-8(i)(7) for proposals that expressed dissatisfaction with company services and requested company reconsideration of the manner in which these services were offered. *See Wells Fargo & Co.* (Jan. 28, 2013, *recon. denied* Mar. 4, 2013) (proposal requesting a report on the adequacy of the company's policies in addressing the social and financial impacts of direct deposit advance lending was excludable under Rule 14a-8(i)(7) as it related to the services offered by the company); *Citigroup Inc.* (Jan. 26, 2012, *recon. denied* Mar. 1, 2012) (proposal requesting greater transparency and disclosure regarding company repurchase agreement and securities lending transactions was excludable under Rule 14a-8(i)(7) as it related to the financial services offered by the company); *JPMorgan Chase & Co.* (Jan. 27, 2012, *recon. denied* Mar. 13, 2012) (same); *Morgan Stanley* (Jan. 27, 2012) (same); *Bank of America Corp.* (Feb. 27, 2008) (proposal requesting disclosure of the company's policies and practices regarding the issuance of credit cards to individuals without Social Security numbers was excludable under Rule 14a-8(i)(7) as it related to the company's ordinary business operations).

The Staff also has permitted exclusion under Rule 14a-8(i)(7) of proposals related to the business activities undertaken by financial services intermediaries, including proposals where such services related to proxy voting. *See Franklin Resources, Inc.* (Dec. 1, 2014) (allowing exclusion of a proposal that requested a review of the proxy voting policies of the company's investment advisers, which constituted an integral part of the company's investment management services); *State Street Corp.* (Feb. 24, 2009) (same); *General Electric Company* (Jan. 5, 2005) (permitting exclusion of a proposal that concerned the selection of the company's transfer agent or registrar). In *T. Rowe Price Group, Inc.* (Feb. 14, 2020), the Staff allowed for exclusion under Rule 14a-8(i)(7) where the proposal requested a report on the feasibility of the company "announcing its proxy votes in advance of annual shareholder meetings." The proposal expressed dissatisfaction with the company's investment management subsidiaries' exercise of proxy voting authority. The company argued that the proposal related to its ordinary business operations, namely "proxy voting as part of the investment process." The company noted that clients contractually delegated proxy voting authority to its investment management subsidiaries and argued that proxy voting was an essential element of its investment management services. The *T. Rowe Price Group* proposal's focus on the manner in which the company provided proxy voting services to its clients corresponds to the

Broadridge

Proposal's focus on the manner in which Broadridge provides proxy voting services to its clients. The only difference between the proposals is that the Proposal would aim to achieve this objective, and avoid exclusion under Rule 14a-8(i)(7), by having the Company first convert to a public benefit corporation.

The Staff has also recently permitted the exclusion under Rule 14a-8(i)(7) of a number of proposals submitted by the Proponent's representative, the Shareholder Commons, that related to various aspects of the investing experience. *See State Street Corp.* (Mar. 26, 2021) (permitting exclusion under Rule 14a-8(i)(7) for a proposal that requested a report from the company on how its "voting and engagement policies" affect the majority of clients and shareholders "who rely primarily on overall stock market performance for their returns"); *The Goldman Sachs Group, Inc.* (Mar. 9, 2021) (permitting exclusion under Rule 14a-8(i)(7) for a proposal that asked the company to study "the external costs created by the [c]ompany underwriting multi-class equity offerings" and how those costs affect the majority of the company's shareholders "who rely on overall stock market return"). These proposals, like the Proposal, were concerned with the role the respective company's services played in the financial services industry and how that role purportedly increased costs for investors. In *State Street*, the proposal argued that the company's investment management activities, engagement with portfolio companies and share voting polices all allowed "corporations in its portfolio to continue practices that externalize costs (thereby harming overall market performance) without harming the individual corporation." The *State Street* proposal noted that the company's shareholders "are almost all broadly diversified" and "[i]f corporate practices reduce demand or GDP, decreased diversified portfolio returns result." The *Goldman* proposal was similarly concerned with how an aspect of the company's ordinary business operations, underwriting multi-class equity offerings, ignored "externalized costs" which allegedly caused the company's "diversified shareholders [to] ultimately pay [those costs]." As in *State Street* and *Goldman*, the Proposal is concerned with an aspect of Broadridge's ordinary business operations, namely its proxy services, and how those services should be modified to benefit "diversified investors."

Each of the Proposal, the *State Street* proposal and the *Goldman* proposal focuses on a company service (proxy service; investment advisory engagement and proxy voting service; capital markets underwriting service), states that such service is structured to pass along costs to the detriment of diversified investors ("diversified shareholders internalize those costs"; "decreased diversified portfolio returns result"; "[w]hile the [c]ompany may profit by ignoring externalized costs, its diversified shareholders ultimately pay them") and requests that the company take action to address this perceived issue (become a public benefit corporation; provide a report; commission a study). The Staff permitted the exclusion of both the *State Street* and *Goldman* proposals under

Broadridge

Rule 14a-8(i)(7), and the Proposal should similarly be permitted to be excluded as it relates to Broadridge's ordinary business operations. We note that the *State Street* and *Goldman* proposals related to a report and study, respectively, and such requests are both far less intrusive to the Company's ordinary business operations than the change of corporate organization requested by the Proposal.

B. The Proposal should be excluded under Rule 14a-8(i)(7) because it seeks to micromanage the Company.

Micromanagement Overview

Rule 14a-8(i)(7) also permits exclusion of a proposal that "seeks to 'micromanage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." *Amendments to Rules on Shareholder Proposals*, SEC Rel. No. 34-40018 (May 21, 1998). The Commission has stated that the exclusion of a proposal under Rule 14a-8(i)(7) on the grounds that the proposal micromanages a company "may come into play in a number of circumstances, such as where the proposal involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies." *Id*.

The Staff has subsequently provided additional guidance on the scope and meaning of micromanagement under Rule 14a-8(i)(7). As noted in SLB 14K, the Staff looks "to whether the proposal seeks intricate detail or imposes a specific strategy, method, action, outcome or timeline for addressing an issue, thereby supplanting the judgment of management and the board." The Staff further explained that "if the method or strategy for implementing the action requested by the proposal is overly prescriptive, thereby potentially limiting the judgment and discretion of the board and management, the proposal may be viewed as micromanaging the company."[1]

Consideration of the language of the supporting statement is also an element in the Staff's micromanagement analysis. As noted in SLB 14K, "if a supporting statement modifies or re-focuses the intent of the resolved clause, or effectively requires some action in order to achieve the

[1] The micromanagement analysis rests on an evaluation of the manner in which a proposal seeks to address the subject matter raised and is independent of whether the proposal is cast as precatory or calls for a report. The Staff noted in SLB 14K that "the precatory nature of a proposal does not bear on the degree to which a proposal micromanages" and exclusion under Rule 14a-8(i)(7) may be appropriate regardless of the precatory nature of the proposal in question.

proposal's central purpose as set forth in the resolved clause, [the Staff takes] that into account in determining whether the proposal seeks to micromanage the company."

The Proposal Seeks to Micromanage Broadridge's Provision of Proxy Services

The Staff has previously found that a proposal micromanages a company, and is therefore excludable under Rule 14a-8(i)(7), where it imposes specific methods for implementing complex policies, seeks intricate detail or limits the flexibility and discretion of management and the board of directors. *See Johnson & Johnson* (Feb. 12, 2020) (proposal concerning awards granted under an annual cash incentive program); *Johnson & Johnson* ("Vermont Pension Investment Committee") (Feb. 12, 2020) (proposal requesting justifications when financial performance measures are adjusted to exclude legal or compliance costs). The Staff also recently determined that a proposal impermissibly sought to micromanage a company by requesting corporate governance changes as a means to recalibrate the company's operations. In *Exxon Mobil Corp.* (Mar. 6, 2020) the Staff allowed the exclusion of a proposal requesting that the company charter a new board committee on climate risk to evaluate the company's climate strategy. The Staff noted that the proposal's call for a new committee, as the proponent's preferred means to oversee climate risk, unduly limited the board's flexibility and discretion in overseeing climate risk.

The Proposal's request that Broadridge "become a [public] benefit corporation" would micromanage the Company by imposing a specific method, a change of corporate form, for implementing a complex policy, i.e., prioritizing accurate, timely, cost-effective, and transparent proxy voting for diversified investors. The Proposal focuses on the Company's proxy services and its role in the proxy system. The Proposal asks for a conversion of the company's corporate form to a public benefit corporation as a thinly disguised attempt to micromanage the execution of Broadridge's proxy services. This would unduly intrude on Broadridge's discretion to provide its proxy services in the manner in which it so chooses. Accordingly, the Proposal probes too deeply into matters of a complex nature upon which shareholders as a group would not be in a position to make an informed judgment and seeks to micromanage the Company to such a degree that exclusion of the Proposal is appropriate under Rule 14a-8(i)(7).

Conversely, if we were to assume arguendo that the focus of the Proposal is actually on the Company's conversion to a public benefit corporation, the Proposal would seek to unduly prescribe the contents of the public benefit corporation charter by requiring that the public benefits include "contributing to accurate, timely, cost-effective, and transparent proxy voting for diversified investors." This prescription of the contents of the public benefit corporation charter goes beyond other proposals requesting conversion to a public benefit corporation for which the Staff declined

to grant relief under Rule 14a-8(i)(7), which left the parameters of the public benefit corporation charter solely in the discretion of the respective companies. *See Alphabet Inc.* (Apr. 16, 2021); *3M Co.* (Mar. 9, 2021); *Tractor Supply Co.* (Mar. 9, 2021).

The Staff recently has allowed exclusion under Rule 14a-8(i)(7) of proposals that sought to micromanage companies by dictating the terms of the business services they offered. *See CoreCivic, Inc.* (Mar. 15, 2019) (permitting exclusion where the proposal requested that the company adopt specific policies for immigrant detainee children and adults at facilities owned or operated by the company); *The GEO Group, Inc.* (Mar. 15, 2019) (same). The Staff noted that these proposals attempted to micromanage the companies because the proposals "would dictate the terms of services to be provided by the [companies]." The Proposal is similar to these proposals, as its call for Broadridge to seek to reform the proxy system would exclude consideration of the Company's clients. In addition, the Proposal and supporting statement each include a consideration of costs in relation to the Company's proxy voting services. This focus probes into the valuation and pricing of the proxy services provided by Broadridge, which are part of the terms of the services offered by the Company. The Proposal accordingly seeks to micromanage the Company in a manner similar to the proposals in *CoreCivic* and *GEO* and the Staff should permit exclusion of the Proposal.

II. The Proposal should be excluded under Rule 14a-8(i)(10) because the Company has already substantially implemented the Proposal.

Rule 14a-8(i)(10) permits the exclusion of a shareholder proposal from a company's proxy materials if "the company has already substantially implemented the proposal." This provision recognizes that a company's existing policies or actions may render a shareholder proposal moot and therefore it is appropriate to exclude such a proposal. As the Commission stated of the predecessor rule to Rule 14a-8(i)(10), the purpose of the rule is "to avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management" of a company. *Proposed Amendments to Rule 14a-8 Under the Securities Exchange Act of 1934 Relating to Proposals by Security Holders*, SEC Rel. No. 34-12598 (July 7, 1976). The rule's emphasis on substantial implementation, as opposed to full or exact implementation, was designed to prevent the exclusion of a proposal "where the company has taken most but not all of the actions requested by the proposal." *Proposed Amendments to Rule 14a-8 Under the Securities Exchange Act of 1934 Relating to Proposals by Security Holders*, SEC Rel. No. 34-19135 (Oct. 26, 1982). The Commission has stated that "substantially implemented" does not require the action requested by a proposal to be "fully effected" and the language of the rule was designed to prevent a "formalistic" application of this basis for exclusion. *Amendments to Rule 14a-8 Under the*

Securities Exchange Act of 1934 Relating to Proposals by Security Holders, SEC Rel. No. 34-20091 (Aug. 23, 1983).

In light of these statements from the Commission regarding Rule 14a-8(i)(10)'s emphasis on substantial, not perfect implementation, the Staff has permitted the exclusion of proposals where a company's actions satisfy the proposal's essential objectives or where a company's existing policies, practices, and procedures are similar in comparison to the proposal's request. The Staff has stated that where a company's actions address the proposal's "essential objective," the company has substantially implemented the proposal. *See e.g. Delta Air Lines, Inc.* (Mar. 12, 2018) (permitting exclusion where the proposal asked the board to provide proxy access to shareholders and the board adopted a proxy access bylaw). The Staff has further determined on numerous instances that a company has substantially implemented a proposal where its "policies, practices and procedures compare favorably with the guidelines of the proposal." *See e.g. Verizon Communications Inc.* (Feb. 19, 2018) (permitting exclusion where the proposal recommended the establishment of a public policy and social responsibility committee).

When determining which company documents or disclosures substantially implement a proposal, the Staff has long held that multiple company policies, reports and other disclosures can collectively act to substantially implement a proposal. In *Apple Inc.* (Dec. 17, 2020) the Staff permitted the exclusion of a proposal under Rule 14a-8(i)(10) where the company cited to 11 distinct reports, policy documents and webpages to show that it substantially implemented a proposal that requested a report on the company's management systems and processes for implementing its human rights policy commitments. *See also The Gap, Inc*. (Mar. 16, 2001) (proposal requesting a report on the child labor practices of the company's suppliers was excludable where the company cited to a vendor code of conduct, website information, and the existence of several monitoring programs).

A. The Company's policies, practices and procedures and public disclosures substantially implement the Proposal.

The Staff has held that a company's policies, practices and procedures can substantially implement a proposal such that exclusion under Rule 14a-8(i)(10) is appropriate. *See Johnson & Johnson* (Feb. 6, 2019) (proposal requesting the elimination of charter and bylaw provisions calling for a greater than majority vote where the company's policies, practices and procedures compare favorably with the guidelines of the proposal); *JPMorgan Chase & Co.* (Mar. 6, 2015) (proposal recommending the establishment of an international policy committee with outside independent experts was excludable under Rule 14a-8(i)(10) as the company had an International Council). In

addition, the Staff has also held that a company's public disclosures can substantially implement a proposal such that exclusion under Rule 14a-8(i)(10) is appropriate. *See The Goldman Sachs Group, Inc.* (Feb. 12, 2014) (proposal recommending the establishment of a public policy committee was excludable under Rule 14a-8(i)(10), in part, as the company's Form 10-K disclosures substantially implemented the proposal); *The Goldman Sachs Group, Inc.* (Mar. 15, 2012) (proposal requesting the formation of a board committee to review and report on actions the company could take to reduce greenhouse gas emissions was excludable under Rule 14a-8(i)(10) as the company's public disclosures in its annual meeting proxy statement substantially implemented the proposal); *JPMorgan Chase & Co.* (Mar. 15, 2012) (proposal requesting an assessment of the company's responsiveness to risk associated with high levels of senior executive compensation at the company was excludable under Rule 14a-8(i)(10) because the company's public disclosures compared favorably with the guidelines of the proposal); *Duke Energy Corp.* (Feb. 21, 2012) (proposal requesting the formation of a committee of independent directors to assess emissions reductions was excludable under Rule 14a-8(i)(10) as the company's public disclosures, in its Form 10-K and in a sustainability report, substantially implemented the proposal).

Broadridge's policies, practices and procedures, and the Company's public disclosure of the same, all indicate that Broadridge has substantially implemented the essential objective of Proposal, which is to contribute to accurate, timely, cost-effective, and transparent proxy voting. The Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2020 (the "2020 Form 10-K") includes disclosures that outline Broadridge's policies regarding accurate, timely, cost-effective, and transparent proxy voting.[2] As noted in the 2020 Form 10-K, a majority of publicly-traded shares are not registered in companies' records in the names of their ultimate beneficial owners. Instead, a substantial majority of all public companies' shares are held in "street name," meaning that they are held of record by broker-dealers or banks. A critical aspect of Broadridge's proxy services business involves entering into agreements with broker-dealers and banks, which hold securities in name only for beneficial owners, to distribute proxy materials to beneficial owners and tabulate their voting instructions to permit the accurate, timely and cost-effective voting of beneficial owners' shares. Through agreements with its broker-dealer and bank clients, the Company takes on the responsibility of ensuring that the voting instructions of beneficial owners are tabulated and conveyed to the companies conducting proxy solicitations. Broadridge also directly communicates with each soliciting company to ensure that the Company's proxy services are performed in an accurate, timely and transparent manner. Companies work with Broadridge for the performance of all the tasks and processes necessary to ensure that proxy

[2] See Broadridge Annual Report on Form 10-K, File No. 001-33220 (Aug. 11, 2020), *available at* https://www.sec.gov/ix?doc=/Archives/edgar/data/1383312/000138331220000055/br-20200630.htm.

materials are distributed in a timely manner to beneficial owners and that their votes are accurately reported. In addition, Broadridge has invested heavily in technology to reduce printing and postage costs, increase shareholder participation in proxy solicitations and reduce the environmental impact of the proxy system.[3] All of these efforts contribute to a proxy distribution system that, as described by the New York Stock Exchange's Proxy Fee Advisory Committee (comprised of broker-dealers, issuers and investors), "provides a reliable, accurate and secure process for distributing proxy materials to street name stockholders."[4]

Broadridge is committed to accurate, timely, and cost-effective proxy voting and transparent reporting of proxy voting information. Broadridge offers clients a suite of proxy solutions that give record and beneficial stockholders a variety of methods to receive proxy materials and provide proxy voting instructions. These methods include Broadridge's internet and mobile phone platforms, such as ProxyEdge, ProxyVote and mobileproxyvote.com, as well as voting by telephone or by paper ballot. Broadridge's information and voting platforms are not only designed to provide proxy services that are accurate, timely, cost-effective and transparent, but they are also designed to allow Broadridge to measure and verify its performance of these services. Each year, Broadridge publicly reports on key performance measures for all issuers whose annual meetings occurred during the recently concluded proxy season. [5] This report typically includes, among other information, the independent results of testing on Broadridge's performance in delivering proxy services. The Company also makes an issuer-specific report available each year to every corporate issuer. These issuer-specific "report cards" include statistics on proxy delivery turnaround times, proxy voting, e-delivery of proxy cards and proxy statements, costs, savings, and other information related to the provision of the proxy services.

Broadridge also engages the services of an independent public accounting firm to prepare reports regarding the Company's performance of the proxy services. The Company's proxy services are subject to two annual audits conducted by an independent public accounting firm: (1) an SSAE 18/SOC 1 Type 2 audit related to the design, implementation, suitability and operating

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[3] *See e.g.* 2020 Broadridge Sustainability Report, *available at* https://www.broadridge.com/_assets/pdf/broadridge-sustainability-report-2020.pdf.

[4] *See* New York Stock Exchange, Proxy Fee Advisory Committee Proposes Recommendations on Proxy Distribution Fees, *available at* https://www.businesswire.com/news/home/20120516005978/en/Proxy-Fee-Advisory-Committee-Proposes-Recommendations-on-Proxy-Distribution-Fees (summarizing the Report and Recommendations of the Proxy Fee Advisory Committee).

[5] *See e.g.* 2020 Proxy Season Key Statistics and Performance Rating ("2020 Proxy Season Report"), *available at* https://www.broadridge.com/_assets/pdf/broadridge-2020-proxy-season.pdf.

effectiveness of controls over the proxy process including, but not limited to, voting, and (2) a SOC 2 Type 2 audit related to information security. The Company received unqualified opinions on the most recent reports of both of these audits. Also, the following additional audits related to Broadridge's services are conducted by an independent accounting firm: (1) a quarterly audit of vote accuracy; (2) an annual audit of the services' compliance with applicable New York Stock Exchange ("NYSE") and SEC regulations; and (3) an annual audit of shareholder voting results when Broadridge acts as vote tabulator. The Company believes these audits are the only audits of their type that are focused exclusively on shareholder communications and proxy voting. All of these policies, practices and procedures are designed to provide assurance that Broadridge's proxy services are measurable, tested and fit for purpose. This collective battery of policies, practices and procedures all substantially implement the Proposal such that exclusion under Rule 14a-8(i)(10) is appropriate.

While Broadridge's policies, practices and procedures substantially implement the Proposal's call for "accurate, timely, cost-effective, and transparent proxy voting," the role played by the Independent Steering Committee of Broadridge (the "Independent Steering Committee") also satisfies the call of the Proposal. The Independent Steering Committee was formed in 1993 to serve as an oversight body charged with monitoring the performance, voting accuracy and readiness of Broadridge, and its predecessor, in facilitating proxy voting on behalf of banks and brokers. The Independent Steering Committee is organized from within the securities industry and consists exclusively of persons who are neither current nor former employees of Broadridge. The members represent the four industry groups involved in the proxy process: issuers, institutional investors, brokers and custodian banks. The Independent Steering Committee meets with the Commission on an annual basis and also reviews an annual independent audit of Broadridge's performance based on the Independent Steering Committee's measurement criteria, including testing of its processing of voting instructions and compliance with applicable proxy rules and regulations.

The Independent Steering Committee's activities and purview mirror the facts of *JPMorgan Chase & Co.* (Mar. 6, 2015), as previously noted above, and the relationship between the company and the J.P. Morgan International Council. In *JPMorgan*, the company argued that it had substantially implemented the proposal because the existing "J.P. Morgan International Council" met the call of the proposal to establish an international policy committee. The company noted that the membership and purpose of the J.P. Morgan International Council substantially satisfied the request of the proposal. The Staff concurred and permitted exclusion of the proposal under Rule 14a-8(i)(10). As noted above, the Independent Steering Committee's role in providing industry oversight of Broadridge's performance, voting accuracy and readiness is indicative of Broadridge's

commitment to supplementing its efforts to ensure accurate, timely, cost-effective, and transparent proxy voting. The Proposal's implication that the Company's offer of proxy services is structured to prioritize Broadridge's "own financial return" at the expense of the "accurate, transparent transmission of investor votes" is belied by Broadridge's own policies, practices and procedures and by the role the Independent Steering Committee has played for nearly three decades. Broadridge's engagement with the Independent Steering Committee further indicates that the Company has substantially implemented the Proposal, as in *JPMorgan*, and the Proposal should therefore be excluded under Rule 14a-8(i)(10).

III. The Proposal should be excluded under Rule 14a-8(i)(3) because it includes false and misleading statements.

Rule 14a-8(i)(3) permits the exclusion of a shareholder proposal "if the proposal or supporting statement is contrary to any of the Commission's proxy rules, including Rule 14a-9, which prohibits materially false or misleading statements in proxy soliciting materials." The Staff has noted that exclusion of a proposal under Rule 14a-8(i)(3) may be appropriate where a proposal includes statements that "directly or indirectly impugn character, integrity, or personal reputation, or directly or indirectly make charges concerning improper, illegal, or immoral conduct or association, without factual foundation." *See* Staff Legal Bulletin No. 14B (Sept. 15, 2004) ("SLB 14B").

The Staff has previously permitted the exclusion of materially false or misleading proposals under Rule 14a-8(i)(3) and its predecessor rule. *See ConocoPhillips* (Mar. 13, 2012) (permitting exclusion under Rule 14a-8(i)(3) for a proposal that implied that the company and its chairman violated the Foreign Corrupt Practices Act); *Alaska Air Group, Inc.* (Feb. 19, 2004) (permitting exclusion under Rule 14a-8(i)(3) for a proposal that stated that the company discriminated and disenfranchised holders of beneficial interests in company stock).

The Proposal presents false and misleading statements about Broadridge's services and business model and also make charges regarding improper conduct by Broadridge, without providing any factual foundation. Such statements and allegations are contrary to Rule 14a-9, which prohibits materially false or misleading statements in proxy soliciting materials. The Proposal states, without support, that the U.S. proxy system is "inaccurate, opaque, and over-priced" and falsely implies that Broadridge's business model and proxy services somehow contribute to these alleged issues. The insinuation that the Company acquiesces to these problems or even promotes them for its own financial gain is false, and is refuted by the Company's public disclosures and the results of the robust audits and reviews conducted by an independent public

accounting firm, as noted above. The independent public accounting firm that conducted two audits related to the design, implementation, suitability and operating effectiveness of controls over the Company's proxy process (including voting) and related information security practices expressed unqualified opinions on these matters.[6] The results of these audits attest to Broadridge's commitment to and provision of proxy services that the NYSE's Proxy Fee Advisory Committee aptly called a "reliable, accurate and secure process for distributing proxy materials to street name stockholders."

SEC regulations and the rules of the NYSE and the Financial Industry Regulatory Authority, Inc. ("FINRA") govern the transmission of proxies and many aspects of pricing in the proxy system (and such NYSE and FINRA rules are reviewed and approved by the SEC). The Proposal's claims that Broadridge's services are not cost-effective, or are improperly priced, imply that the Company may be in violation of such rules. These claims also imply, without evidence, that Broadridge may not be in compliance with the various contracts the Company has entered into with its broker-dealer and banking clients. The language that the Proposal uses to describe Broadridge's proxy services and Broadridge's business position is both inflammatory and unsupported. These inflammatory and unsupported statements render the Proposal false and misleading such that it should be excludable under Rule 14a-8(i)(3).

The Proposal also misleadingly implies that Broadridge does not prioritize the accurate and transparent transmission of investor votes and further implies that the Company's extensive accountability mechanisms, such as the independent audits and reviews discussed above, are not effective or meaningful. These statements are belied by the long-standing and comprehensive efforts the Company has pursued over many years to promote accurate, timely, cost-effective and transparent proxy voting. The Proposal also states that there is "consensus" that the proxy system is subject to "significant problems" and these problems undermine the legitimacy of U.S. corporate governance and capital markets. As noted in the Proxy Fee Advisory Committee report cited above, no such consensus exists, at least with respect to the Company's participation in such system. Furthermore, the Proposal's implication that the Company's activities are illegitimate or that the Company uses a "monopoly position" to "maximize its own profits" proffers legal conclusions regarding compliance with law that are materially misleading. Such claims directly impugn the Company and its insiders without factual foundation. These statements, and the other unsupported allegations of impropriety noted above, are all contrary to Rule 14a-9 and render the Proposal false and misleading and excludable under Rule 14a-8(i)(3).

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[6] These audits are discussed in further detail in Section II above.

CONCLUSION

Based on the foregoing analysis, we respectfully request that the Staff concur that Broadridge may exclude the Proposal and supporting statements from its 2021 proxy materials under Rule 14a-8(i)(7), Rule 14a-8(i)(10) and Rule 14a-8(i)(3).

* * * * *

Broadridge anticipates that the 2021 proxy materials will be finalized for distribution on or about October 1, 2021. Accordingly, Broadridge would appreciate receiving the Staff's response to this no-action request by September 24, 2021.

If the Staff disagrees with Broadridge's view that it can omit the Proposal, we request the opportunity to confer with the Staff prior to the final determination of the Staff's position. If the Staff has any questions regarding this request or requires additional information, please contact me at Maria.Allen@broadridge.com or (516) 472-5472.

Very truly yours,

Maria Allen

Maria Allen
Associate General Counsel and
Corporate Secretary

cc: Sara E. Murphy
The Shareholder Commons

James McRitchie

David B. H. Martin
Matthew C. Franker
Covington & Burling LLP

Exhibit A

Corporate Governance

CorpGov.net: improving accountability through democratic corporate governance since 1995

9295 Yorkship Court
Elk Grove, CA 95758

Broadridge Financial Solutions, Inc.
Attention Corporate Secretary
5 Dakota Drive
Lake Success, New York 11042

Via: maria.allen@broadridge.com

Dear Ms. Allen,

I am pleased to be a shareholder in Broadridge Financial Solutions Inc. and appreciate the company's leadership, especially during the Covid-19 pandemic.

I am submitting the attached shareholder proposal, **transition to public benefit corporation,** for a vote at the next annual shareholder meeting.

The proposal meets all Rule 14a-8 requirements, including the continuous ownership of the required stock value for over a year. I pledge to continue to hold the required stock until after the date of the next shareholder meeting. My submitted format, with shareholder-supplied emphasis, is intended to be used for definitive proxy publication.

This letter confirms that I am delegating Sara E. Murphy to act as my agent regarding this Rule 14a-8 proposal, including its submission, negotiations and/or modification, and presentation at the forthcoming shareholder meeting. Please direct all future communications regarding our rule 14a-8 proposal to Sara E. Murphy (PH: 202-578-0261, 723 E 48th St., Savannah, GA 31405) at: sara@theshareholdercommons.com to facilitate prompt communication. Frederick Alexander, Rick@theshareholdercommons.com, is also authorized to act as my agent regarding this proposal. Please identify James McRitchie as the proponent of the proposal.

Your consideration and the consideration of the Board of Directors is appreciated in responding to this proposal. We expect to forward a broker letter soon. If you simply acknowledge my proposal in an email message to sara@theshareholdercommons.com, it may not be necessary for you to request such evidence of ownership.

Sincerely,

James McRitcie

May 28, 2021

Date

cc: Chuck Callan chuck.callan@Broadridge.com
Laura Matlin Laura.Matlin@Broadridge.com

[Broadridge Financial Services, Inc. Rule 14a-8 Proposal]
[This line and any line above it – *Not* for publication.]
ITEM 4* – Transition to Public Benefit Corporation

RESOLVED: **Company shareholders request our Board of Directors take steps necessary to amend our certificate of incorporation and, if necessary, bylaws (including presenting such amendments to the shareholders for approval) to become a benefit corporation. Shareholders request that one of the public benefits included in the amendment be contributing to accurate, timely, cost-effective, and transparent proxy voting for diversified investors, or such other public benefits as the Board of Directors determines to provide similar positive effects on diversified investors.**

SUPPORTING STATEMENT: The Company processes proxies for more than 80% of all U.S. equities and more than 90% of stocks held by the Depository Trust Company, which is the record holder for the vast majority of shares held by banks and brokers.[1] This makes it a crucial link in the voting system that ensures public companies are acting in accordance with the directions of investors.

As a conventional corporation, the Company prioritizes its own financial return. In contrast, as a PBC, it would balance the interests of shareholders, stakeholders, and those public benefits identified in the Company's certificate of incorporation,[2] allowing it to protect diversified investors, even when doing so did not optimize financial return. This would allow it to prioritize accurate, transparent transmission of investor votes.

There is consensus that the current proxy system is subject to significant problems and that the publicity around these problems undermines the legitimacy of U.S. corporate governance and capital markets.[3] The Company's monopoly position allows it to maximize its own profits without necessarily addressing these concerns, thus jeopardizing the markets that support the economy and the interests of diversified investors.

This threatens the Company's diversified shareholders: the relatively small amount of increased Company return will not likely compensate for the threat to shareholders' ability to express their preferences as investors with respect to their entire portfolios. Moreover, diversified shareholders lose financially if the Company externalizes the cost of an inaccurate, opaque, and over-priced proxy system, because diversified shareholders internalize those costs that slow the economy overall.[4]

Shareholders deserve an opportunity to vote on an amendment that will align governance with shareholder interests and create meaningful accountability.

Please vote for: Transition to Public Benefit Corporation – Proposal [4*]
[This line and any below are *not* for publication]
Number 4* to be assigned by the Company

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[1] *See Recommendation from the Investor-as-Owner Subcommittee of the SEC Investor Advisory Committee (IAC) Proposal for a Proxy Plumbing Recommendation* (July 22, 2019).
[2] 8 Del C, §365.
[3] *See Recommendation, supra,* n.1.
[4] *See Universal Ownership: Why Environmental Externalities Matter to Institutional Investors,* Appendix IV (demonstrating linear relationship between GDP and a diversified portfolio) available at https://www.unepfi.org/fileadmin/documents/universal_ownership_full.pdf; cf. https://www.advisorperspectives.com/dshort/updates/2020/11/05/market-cap-to-gdp-an-updated-look-at-the-buffett-valuation-indicator (total market capitalization to GDP "is probably the best single measure of where valuations stand at any given moment") (quoting Warren Buffet).

06/01/2021

James Mcritchie
9295 Yorkship Ct
Elk Grove, CA 95758

Re: Your TD Ameritrade Account Ending in [redacted]

Dear James Mcritchie,

Pursuant to your request, this letter is to confirm that as of the date of this letter, James McRitchie held and had held continuously for at least 13 months, 50 common shares of Broadridge Financial Solutions Inc (BR) in an account ending in [redacted] at TD Ameritrade. The DTC clearinghouse number for TD Ameritrade is 0188.

If we can be of any further assistance, please let us know. Just log in to your account and go to the Message Center to write us. You can also call Private Client Services at 800-400-4078. We're available 24 hours a day, seven days a week.

Sincerely,

William Pieper
Resource Specialist
TD Ameritrade