

PRESENTATION TO

## **COVID-19 Public Company Update**

April 6, 2020

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### PRESENTERS:

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Partners

# Periodic Reports

## Periodic Reports (10-K, 20-F, 40-F, 10-Q)

1. Risk Factors
2. Forward-Looking Statements
3. Management's Discussion and Analysis (MD&A)
4. Business
5. Legal Proceedings
6. Financial Statements
7. Internal Controls and Disclosure Controls

# Risk Factors

- Companies that have not included risk factors related to COVID-19 should now add COVID-19 risk factors on their upcoming periodic report.
- Companies that previously included risk factors regarding COVID-19 should now evaluate whether those risk factor disclosures remain accurate and complete or require further updates.
- Initially, companies with operations or production in China included COVID-19-related issues, discussing, for example, the extent and effects of closures of key locations or cancelled operations in their risk factors.
- **Now, as this pandemic has become global and its spread is reaching critical proportions, risk factors are including additional details on the effects of COVID-19, such as disruptions in business operations.**

# Risk Factors

The SEC staff suggested specific questions companies should consider in Disclosure Guidance Topic No. 9. The questions include:

- Do you expect COVID-19 to materially affect the demand for your products or services?
- Do you anticipate a material adverse impact of COVID-19 on your supply chain or the methods used to distribute your products or services?
- Are travel restrictions and border closures expected to have a material impact on your ability to operate and achieve your business goals?
- If a material liquidity deficiency has been identified, what course of action has the company taken or proposed to take to remedy the deficiency?
- Have you experienced challenges in implementing your business continuity plans or do you foresee requiring material expenditures to do so?
- **Do you expect that COVID-19 will impact future operations differently than how it affected the current period?**

# Cautionary Language Regarding Forward-Looking Statements

- At any time a company updates its risk factors, it should similarly evaluate whether the risks listed in its disclosure regarding forward-looking statements are adequate.
- Boilerplate or vague cautionary language does not suffice and may not protect companies and those action on their behalf from securities fraud claims based on forward-looking statements.
- **Companies should update their cautionary language regarding forward-looking information to highlight potential impacts caused by the COVID-19 pandemic.**
- This update should not only apply to periodic reports (such as form 10-Ks and 10-Qs), but also to current reports (such as 8-Ks) and ordinary-course communications that contain forward-looking statements, such as earnings and other press releases.

# Management's Discussion and Analysis (MD&A)

- Instruction 3 to Item 303(a) of Regulation S-K states that this discussion should “focus specifically on material events and uncertainties known to management that **would cause reported financial information not to be necessarily indicative of future operating results or of future financial condition.**”
- The MD&A should discuss the extent to which the effects of the COVID-19 pandemic, including business disruptions and continuity concerns, governmental policy decisions made in response and market volatility, can generally be expected to have an impact on companies' financial condition and create substantial discrepancies between past and future performance.
- Disruptions in operations, temporary closings of facilities or manufacturing, staffing shortages, supply chain issues and insurance concerns, among other items, resulting from the COVID-19 pandemic are reasonably likely to affect companies' results of operations, balance sheet items, cash flow, debt payment issues, capital expenditures and liquidity and/or capital resources.

# Business

A company that files a report for which a business description is required, such as in a Form 10-K or in a Form 20-F, should consider whether its previous disclosure remains adequate.

Business disclosure related considerations include, for example, whether the company has had to:

- (1) exit any business lines,
- (2) close brick-and-mortar locations, offices or other facilities,
- (3) consider or utilize alternative suppliers due to difficulty sourcing inventory, to the extent available,
- (4) furlough or lay off workers as a result of closed facilities or lower consumer demand or suffer a shortage in staffing due to employee illness, or
- (5) postpone or otherwise modify growth initiatives and strategic acquisitions.

# Legal Proceedings

The COVID-19 pandemic may result in litigation for companies, for example claims for breach of contract due to an inability to perform caused by COVID-19, violation of material debt agreements or dealings with employees, claims that a company's disclosure (or its failure to provide disclosure) regarding COVID-19's impact was materially misleading or inadequate to inform investors regarding risks associated with the pandemic and the resulting disruption to operations, securities class action or breach of fiduciary duty claims resulting from stock price declines and other matters.

- **Norwegian Cruise Line Holdings Ltd. currently has two securities fraud class actions, accusing the company and its executives of attempting to staunch the company's losses by downplaying the seriousness of the novel coronavirus in its public filings and in its pitches to prospective customers and presenting a misleading positive outlook.**
- Privacy - Zoom Video Communications Inc. was sued on allegations that it failed to protect those users' personal information.
- Mergers & Acquisitions - 1-800-Flowers can't use the COVID-19 crisis to breach a firm deadline to close on a \$252 million purchase of PersonalizationMall.com.
- Insurance - Prime Time Sports Grill Inc. in Florida filed an action against Lloyd's of London after the insurer denied coverage for its state-mandated closure in response to the COVID-19 pandemic.
- Business Disruption - North Hills Village claimed that LNR and Wells Fargo had breached their loan and cash management agreements, and it sought an injunction to stop the cash sweep and a declaratory judgment.



# Current Reports (8-K or 6-K)

- March 2020, over 2,000 current reports have been filed which reference COVID-19 or coronavirus.
- March 2020, over 250 current reports have been filed by S&P 500 companies which reference COVID-19 or coronavirus.
- Initially many of these filings have been of an elective nature, designed to keep the market informed of significant developments.
- Current reports have most commonly been used to provide: business updates, address credit facilities or loan agreements and update or withdraw guidance.
- Recently, current reports are being used to update or supplement risk factors and reliance on SEC's conditional relief order.
- **March 2020, approximately 200 current reports have been filed by smaller reporting companies to disclose reliance on SEC's conditional relief for delayed filings.**

# Current Reports (8-K or 6-K)

As a result of the COVID-19 pandemic, companies have furnished or filed, as applicable, current reports to, among other things:

- i. withdraw or update guidance
- ii. provide a business update,
- iii. announce entry into credit facilities or loan agreements, including amendments thereto or drawdowns thereof (if material for such company),
- iv. announce special investor calls,
- v. supplement or update previously disclosed MD&A and risk factors,
- vi. announce changes to operations (such as closings of facilities or schedule changes),
- vii. announce cancellations of events,
- viii. disclose actions taken to benefit customers impacted by COVID-19 (such as relief from payments that are due),
- ix. a handful of companies have filed a Form 8-K or Form 6-K to announce a positive COVID-19 test of a senior executive) and
- x. announce suspension of a stock repurchase program, dividend, sale process or tender offer.

# Earnings Guidance

- A company is generally not obligated to update previously issued guidance to reflect new developments outside the context of a public securities offering or other communication of financial results.
- Companies should consider whether any previously issued earnings guidance can appropriately be continued to be relied upon in light of the change in circumstances resulting from the COVID-19 pandemic.
- To the extent effects of the COVID-19 pandemic are quantifiable, companies should consider including them in the updated earnings guidance.
- As of March 31, 2020, only a handful of companies have chosen to revise their earnings guidance for the impact of the COVID-19 pandemic. **Numerous companies have opted to withdraw their previously issued earnings guidance without providing any new guidance.**

# Earnings Pre-Releases

- A company that determines it is likely to significantly miss its outstanding earnings guidance, in addition to the withdrawal of such guidance, may consider a “pre-release” of its earnings results earlier than it otherwise ordinarily would have released such earnings.
- Pre-releases may not be beneficial under the COVID-19 circumstances, the market is likely to not be surprised by a negative COVID-19 impact and missing such outstanding guidance may already be reflected in a company’s share price.
- Companies should anticipate questions from analysts. Companies that have not withdrawn guidance need to be mindful that selective disclosure which reaffirms, modifies or otherwise updates guidance.

# Non-GAAP Metrics

- Disclosure Guidance Topic No. 9, issued by the SEC's Division of Corporation Finance on March 25, 2020 addresses the use of COVID-19 adjustments in calculating non-GAAP metrics.
- Companies may reflect nonrecurring charges and expenses associated with COVID-19 in non-GAAP financial measures; companies should highlight:
  - Why management believes the measure or metric to be useful; and
  - How it helps investors assess the impact of COVID-19 on the company's financial position and results of operations

# Non-GAAP Metrics

- The SEC's guidance acknowledges that non-GAAP metrics may be presented at the time of an earnings release when related final GAAP financial measures are not yet available.
- Companies may reconcile non-GAAP financial measures to (i) provisional amounts based on reasonable estimates or (ii) to a range of reasonably estimable GAAP results.
  - Must be limited to those non-GAAP measures that the company is using to report financial results to its Board of Directors
- Provisional amounts or range of estimated results may not be used in filings where GAAP financial statements are required, such as 10-Ks or 10-Qs.
- Proxy advisory firms, including ISS and Glass Lewis, and the Council of Institutional Investors have also indicated a receptiveness to virtual meetings for this proxy season, in light of the impact of COVID-19.

# MNPI / Regulation FD

- Disclosure of material information relating the impact of COVID-19 must be done in a Regulation FD-compliant manner.
- Companies should avoid any selective disclosure issues by ensuring information is broadly disseminated.
  - Press release
  - Form 8-K or 6-K
- Disclosure Guidance Topic No. 9 reminds companies to consider whether their circumstances require previous disclosure to be revisited, refreshed or updated to the extent such disclosure becomes materially inaccurate.

# MNPI / Regulation FD

- Given evolving nature of the COVID-19 pandemic companies should consider impact of public statements going forward, including:
  - how long such information will remain complete and accurate
  - whether there is any duty to update or correct such information in the future
  - whether they are creating a market expectation that they will provide updates going forward
    - Business operations status
    - Health of senior executives
    - Liquidity profile
    - Employee workforce matters



# MNPI / Trading Considerations

- Disclosure Guidance Topic No. 9 reminds companies and related persons to consider their market activities, including issuances and purchases of securities, in light of COVID-19 information.
- Companies, and their insiders, including directors and officers, must refrain from transacting in the company's securities while in possession of material non-public information, including:
  - where COVID-19 has affected a company in a way that would be material to investors
  - where a company has become aware of a risk related to COVID-19 that would be material to investors
- Companies should consider whether their existing insider trading policies are sufficient in light of COVID-19.
- Companies should consider whether their trading windows should be open.

# MNPI / Trading Considerations / Share Buybacks

- Companies may be considering whether to opportunistically buy back stock or otherwise take advantage of the current market turbulence.
- Trades outside of preexisting plans may only be executed if the party is not in possession of MNPI.
- Companies and insiders may continue to buy and sell shares under a preexisting Rule 10b5-1 plan:
  - such trades may be subject to increased scrutiny
  - companies and insiders may not realize the full benefit of the transactions as other market forces continue to impact share price

# MNPI / Trading Considerations / Share Buybacks

- Terminate Existing Plan. Companies may terminate a Rule 10b5-1 plan even while in possession of material non-public information, provided that doing so is not part of a scheme or plan to violate insider trading rules.
- Modify Existing Plan. Companies may modify an existing Rule 10b5-1 plans only if they are not in possession of material non-public information at the time of the modification and can otherwise satisfy the Rule 10b5-1 requirements for a new plan (including that they are making the change in good faith).
- Discretionary Plans. Companies with discretionary repurchase plans may suspend or terminate their plans by electing to cease repurchases.

# Annual Shareholder Meetings

- “Virtual” only or “hybrid” shareholder meetings are essentially becoming a necessity for public companies heading into 2020 proxy season.
- State law generally governs mechanics of shareholder meetings.
  - DGCL 211 provides that a Delaware corporation may hold its shareholder meetings “solely by means of remote communication,” so long as:
    - its charter and bylaws also permit it to do so, and
    - stockholders and proxyholders not physically present at a shareholder meeting can both participate in the meeting (including the opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings) and be deemed present and vote at the meeting

# Annual Shareholder Meetings

- The laws of other states may not be as flexible as Delaware law.
  - New York: Permits hybrid meetings but not virtual-only meetings
    - Governor Andrew Cuomo's Executive Order of March 20, 2020 provides temporary relief allowing virtual-only meetings (currently for meetings held on or before April 19, 2020)
  - California: Permits virtual-only meetings if the subject company first obtains unrevoked, unanimous prior shareholder consent to do so
    - Governor Gavin Newsom's Executive Order of March 30, 2020 temporarily suspends the requirement to obtain the prior shareholder consent for meetings already scheduled or for those that must occur prior to June 30, 2020

# Annual Shareholder Meetings

- Organizational Documents
  - Companies should review their charter and bylaws (or similar organizational documents) to determine whether holding a virtual or hybrid meeting is permissible
  - Under Delaware law, if a company's bylaws provide the board with the discretion to determine a location, the board is deemed to have the authority to hold a meeting by remote communication
  - If organizational documents require that the company hold the meeting at a physical location (or if required state law language authorizing virtual or hybrid meetings is not present), companies can consider amending their bylaws to provide the required flexibility
- Proxy advisory firms, including ISS and Glass Lewis, and the Council of Institutional Investors have also indicated a receptiveness to virtual meetings for this proxy season, in light of the impact of COVID-19.

# SEC Regulatory Relief

- Filing Deadlines. The SEC issued conditional relief, first on March 4, 2020 and then on March 25, 2020 allowing an additional 45 days for reporting companies to file certain reports, schedules and forms that were due between March 1 and July 1, 2020. The SEC may extend the current 45-day relief period or provide additional relief as necessary.
  - Companies seeking to rely on the 45-day relief period must furnish a Form 8-K or 6-K by the original filing deadline describing the reasons why it could not file the required report on a timely basis, the estimated date by which the report will be filed and, if material, company-specific risk factors explaining the impact of COVID-19 on the company's business.
- Shareholder Meetings. SEC relief allows companies to change the date, time or location of a shareholder meeting without mailing additional proxy materials or amending existing proxy materials.
- Signatures/Form IDs. Relief from requirement for filer to retain a manually signed copy of all documents submitted with electronic signature so long as the signatory manually signs the signature page and indicates the date and time when the signature was executed. Form IDs may be submitted without notarization so long as the submission includes a statement that filer was unable to obtain the notarization due to COVID-19 and submits a notarized copy within 90 days.

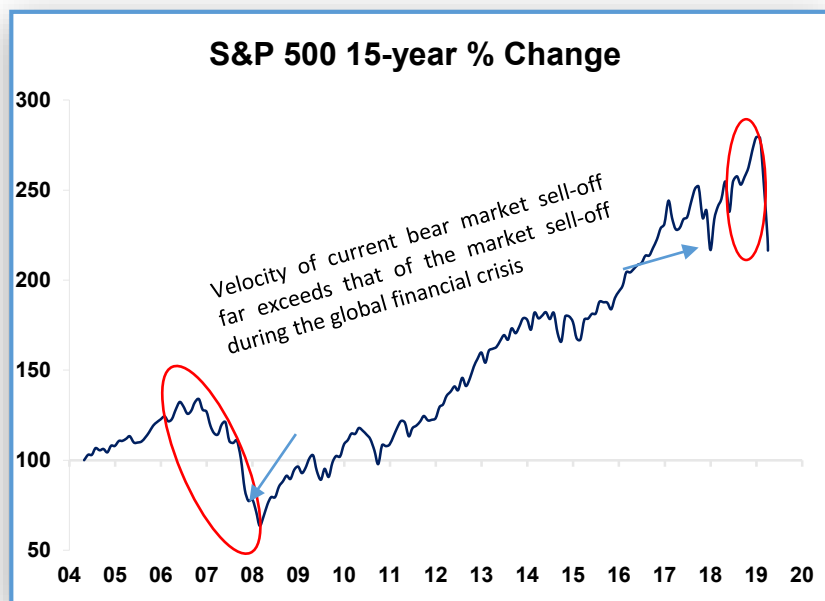
# SEC Regulatory Relief

- Individual Relief. The SEC staff has also advised issuers in need of additional assistance relating to deadlines, delivery obligations or public filings to contact the Division of Corporation Finance directly with requests for guidance or relief.
- Continued Disclosure. On April 2, 2020, SEC Chairman Jay Clayton stressed the importance of continued disclosure in light of COVID-19:
  - “Recognizing that challenges may impact the timing of certain filings, we also are keenly focused on ensuring that issuers and other registrants continue to provide material information to investors, including information related to the current and expected effects of COVID-19, as promptly as practicable. In this regard, we have reminded public companies and other persons to continue to evaluate their obligations to make materially accurate and complete disclosures in accordance with the federal securities laws.”



# State of the Investment Community Today

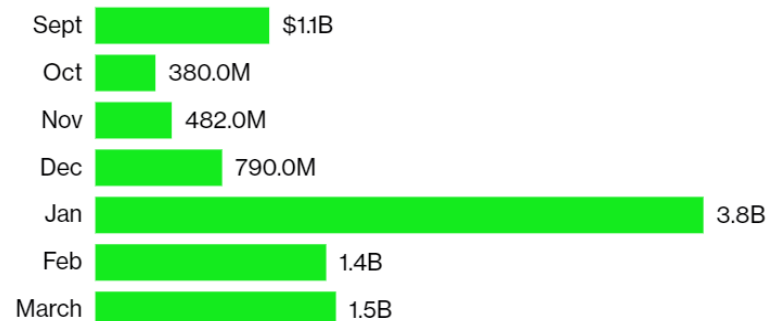
- Dramatic shift from growth concerns to operating risk and liquidity concerns
- Street increasingly doesn't trust guidance – quarterly or annual
- Value-oriented stock pickers are coming back; most large quants/hedge funds have NOT outperformed the market
- ESG funds are holding up surprisingly well and continue to attract inflows
- Activism continues at the same pace



## Going Green

ETFs following ESG strategies are still taking in money despite selloff

■ ESG ETF fund flow



Source: Bloomberg

# Pre-Earnings Mandates



- Companies must fill the void of information with the facts they do know
  - Liquidity/cash/covenant situation
  - Maintenance capital expenditure requirements, and flexibility to delay
  - Difficulty in obtaining materials from outside US
  - Anecdotal stories from customers and suppliers
- Communications before earnings:
  - Clarify a suspension/withdrawal or reiteration of guidance
  - Publicly confirm or explain liquidity
  - CEO quote/video/statement confirming near-term focus of actions
  - Get out ahead of potential for delayed earnings call dates

“Due to the fast-moving nature of this situation and the uncertainty of impacts on costs and revenue, the Company is withdrawing guidance previously issued for fiscal 2020. The Company is not providing an updated outlook at this time.”

*- Ulta Beauty Press Release, March 17, 2020*

“To further strengthen its financial position and balance sheet, and maintain financial liquidity and flexibility, the Company is taking the following actions: drawing down \$1 billion from its revolving credit facilities, suspending its share repurchase program, evaluating its dividend program, reviewing all operating expenses, reducing capital expenditures...withdrawing its first quarter and full year Fiscal 2021 financial guidance...The Company is not providing an updated outlook at this time.”

*- TJX Company Press Release, March 19, 2020*

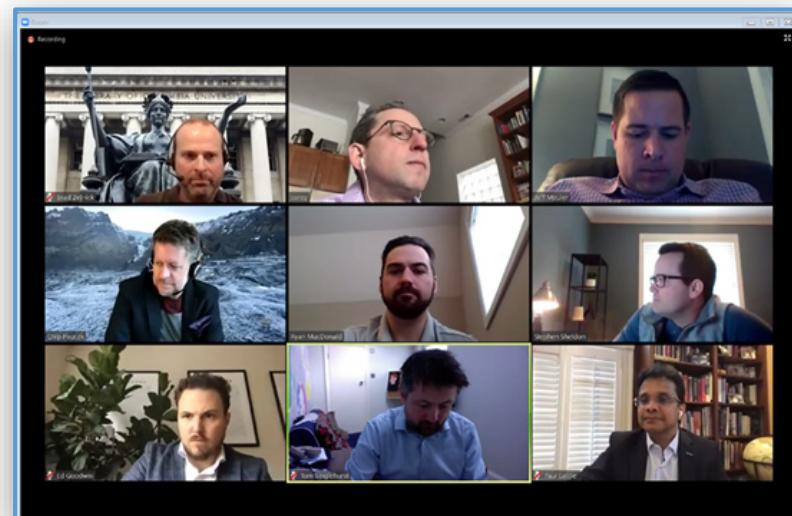
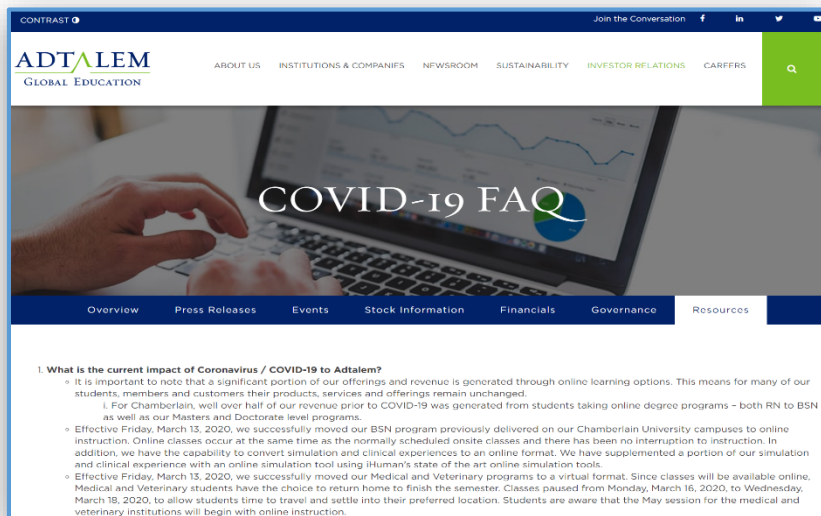
“General Motors (NYSE: GM) announced today that it delivered 618,335 vehicles in the first quarter of 2020, a decrease of about 7 percent compared to a year ago. The industry experienced significant declines in March due to the outbreak of COVID-19.”

*- General Motors Press Release, April 1, 2020*

<sup>2</sup> Source: ISS Early Review of 2019 Proxy Season

# Post Earnings Realities – IR Program Must Evolve

- Reframe investor narrative so investors can better assess risk and project cash flows
- Expect current investors will experience significant outflows; Target new investors
- Adopt alternative ways of communicating with investors
- Build off investor relations website – this is now the most important IR comms repository
- ESG is not going away; Start working on SASB reporting



# COVID-19 Content



- **Thought Leadership**

- [Navigating Earnings in an Uncertain Environment](#)
- [Evolving Your IR Program for the New “Normal”](#)
- [Expand Your Virtual Communication Repertoire: 6 Ways to Stay in Contact with Stakeholders](#)
- [Targeting Fundamental Investors in a Bear Market](#)
- [COVID-19 Communications: Multi-Stakeholder Outreach](#)
- [To Update or Not to Update Guidance Around COVID-19 Impact](#)

- **Webinars**

- [Maintaining an Effective IR Program through the COVID-19 Pandemic](#) - 3/26/20
- [Making the most of your digital IR program during Covid-19](#) - 3/31/20
- [Disruptive Trends and the Future of Investor Relations](#) - 3/31/20

- **Sector Spotlight:**

- [A&D and Industrials](#)
- [Automotive](#)
- [Passenger Airlines](#)
- [Recreational Products](#)
- [Retail](#)

- Stay up to date with our [COVID-19 Response Center](#).

- Accounting Considerations
  - Inventory and Long-Lived Assets
  - Goodwill and Other Intangibles
  - Impairment Considerations
  - Equity Method Investments
  - Revenue Recognition
  - Other Considerations
- Financial Statement Disclosures Considerations
- SEC Reporting and Interim Disclosures
- ICFR Consideration

- Inventory Considerations:
  - Net realizability
  - Firm purchase commitments for inventory
  - Changes in manufacturing levels and excess capacity
- Long-lived Assets Impairment Evaluation:
  - Determining if indicator of impairment exist
  - Testing for recoverability
  - Measuring the amount of the impairment

## Factors to Consider:

- Amount of excess (cushion) during its last quantitative test
- Entity's decrease in market capitalization in comparison to overall decrease in market
- Duration and magnitude of facility and retail closures
- Ability to continue operations while employees work from home
- Amount of expected government support
- Supply chain disruption
- Impact on human capital
- Price concession to customers or contract modifications
- Significance of any contractual penalties or failure to meet contractual minimum service level requirements
- Other factors specific to entity or industry

- Impairment Testing Order:
  - Indefinite-lived intangible assets (ASC 350-30) as well as other assets subject to impairment testing are tested at the same time (e.g., inventory, equity method investments)
  - Long-lived assets to be held and used (ASC 360)
  - Goodwill (ASC 350-20)



- Evidence that could indicate the carrying amount of the investment might not be recoverable includes:
  - The investor does not have the ability to recover the carrying amount of the investment
  - The investee cannot sustain earnings
  - The current fair value of the investment is less than the carrying amount
  - Other investors have ceased providing support or reduced their financial commitment to the investee

# Revenue Recognition Considerations

- Contract Enforceability
- Collectability
- Contract Modification
- Variable Consideration
- Material Right
- Significant Financing Component
- Implied Performance Obligations
- Recognition of Revenue
- Disclosure Requirements

- Investment in Equity and Debt Securities
- Financing Receivables & Contract Assets
- Leases
- Fair Value
- Future Operating Losses
- Compensation Matters
  - Short-term employment benefits
  - Postemployment benefits
  - Postretirement benefits
  - Share-based payments

# Other Accounting Considerations

- Debt Modification and Loan Covenants
- Insurance Recoveries
- Exit or Disposal Activities
- Income Taxes
- Government Assistance

# Disclosure Considerations

- Loss Contingencies
- Risks and Uncertainties
- Going Concern
- Subsequent Events

# SEC Reporting and Interim Disclosures

- Disclosure Guidance Topic No. 9, Coronavirus (COVID-19)
- MD&A
- Risk Factor Disclosures
- Non-GAAP Financial Measures
- Other Disclosure Considerations
- SEC Filing Relief
- Other SEC Reporting Matters

- **Business Control Implications**
  - Management Review Controls
  - Review Controls over Complex Accounting Estimates
  - Transaction Processing Controls
  - Cash Payment Controls
  - Outsource Service Providers
- **IT Control Implications**
  - Super User Access
  - Outsource Service Providers
  - Change Management
  - Resilience and Remote Working



“Broadridge, a global fintech leader with over \$14 billion in market capitalization, provides communications, technology, data and analytics. We help drive business transformation for our clients with solutions for enriching client engagement, navigating risk, optimizing efficiency and generating revenue growth.”

- *Communications supported by Broadridge reach 80% of households in North America*
- *Firms trust Broadridge to process, on average, more than \$7 trillion (USD) in fixed income and equity trades every day*
- *Broadridge enables customers' multi-asset post-trade processing in over 80 countries and delivers communications in 90 countries*





# Broadridge At The Center Of A Unique Network



Issuers of Securities

Shareholders

5,000+  
CORPORATE ISSUERS



24,000+  
MUTUAL FUNDS



1,100+  
BANKS and BROKER-DEALERS

150,000+  
INSTITUTIONAL  
SHAREHOLDERS



140M+  
RETAIL SHAREHOLDER  
ACCOUNTS

←----- REGULATORY BODIES -----→

# Virtual Shareholder Meetings – History and State of Play



- Broadridge launched our Virtual Shareholder Meeting (VSM) platform in 2009; we are the largest provider of VSM technology in the world having handled ~1,500 meetings for our clients
- We expected ~400 companies to use a virtual meeting in CY 2020, but the outbreak of the coronavirus has led to a substantial increase in both inquiries and adoption of the VSM platform
  - We are gearing up to handle a significant uptick in the number of companies adopting a virtual meeting this year
  - Our focus is those companies who trade on a US or Canadian exchange
- The acceptance of virtual meetings has increased over the years
  - Most investors and other industry constituents accept a virtual meeting as an acceptable alternative to an in person meeting
  - More states allow virtual meetings than ever before including New York which in October, signed Assembly Bill A434 changing Corporate Law from prohibiting all virtual meeting formats to allowing the use of “Hybrid Virtual Meetings”
  - ISS published an article in October 2019 detailing trends and acceptance of companies utilizing the VSM platform
  - For the 2020 season, Glass Lewis provided guidance that virtual meeting technology can be a useful complement to a traditional, in-person shareholder meeting by expanding participation of shareholders who are unable to attend a shareholder meeting in person (i.e. a “hybrid meeting”) and as long as there is robust disclosure,

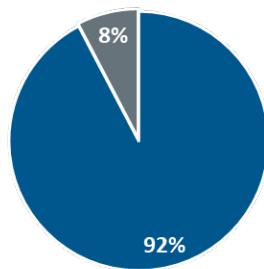
# Virtual Shareholder Meeting Trends



Hybrid\* includes the District of Columbia  
October 2019 – NYS signed bill allowing use of hybrid meetings

## Hybrid FULL YEAR STATS

- 88% used audio
- 12% were conducted with video



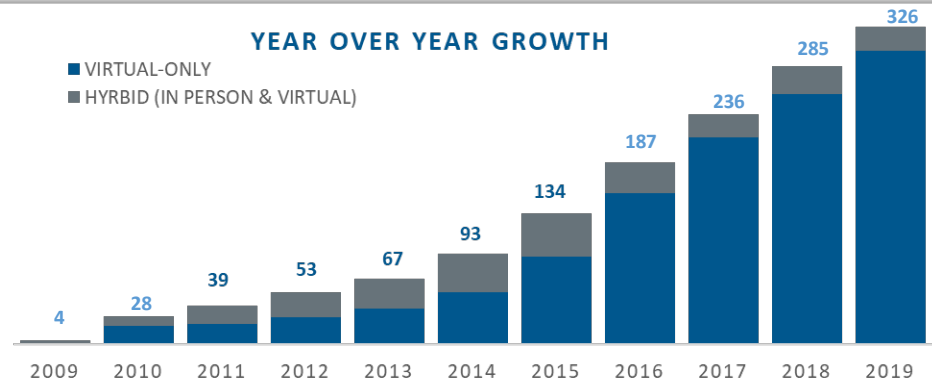
Virtual-only

- 97% used audio
- 3% were conducted with video

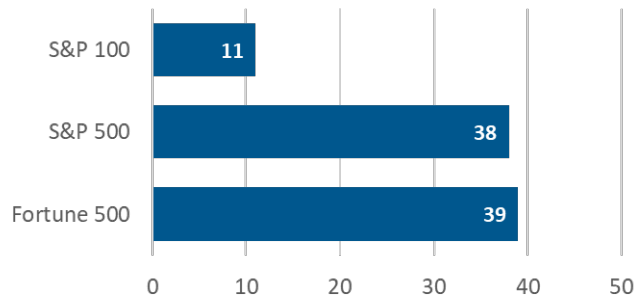
■ Virtual Only ■ Hybrid

## YEAR OVER YEAR GROWTH

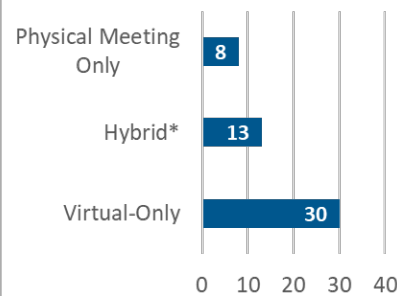
■ VIRTUAL-ONLY  
■ HYBRID (IN PERSON & VIRTUAL)



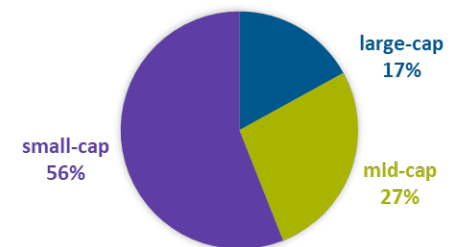
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## STATE CORPORATE LAW



## COMPANY PROFILES



# How Does a Virtual Shareholder Meeting Work?

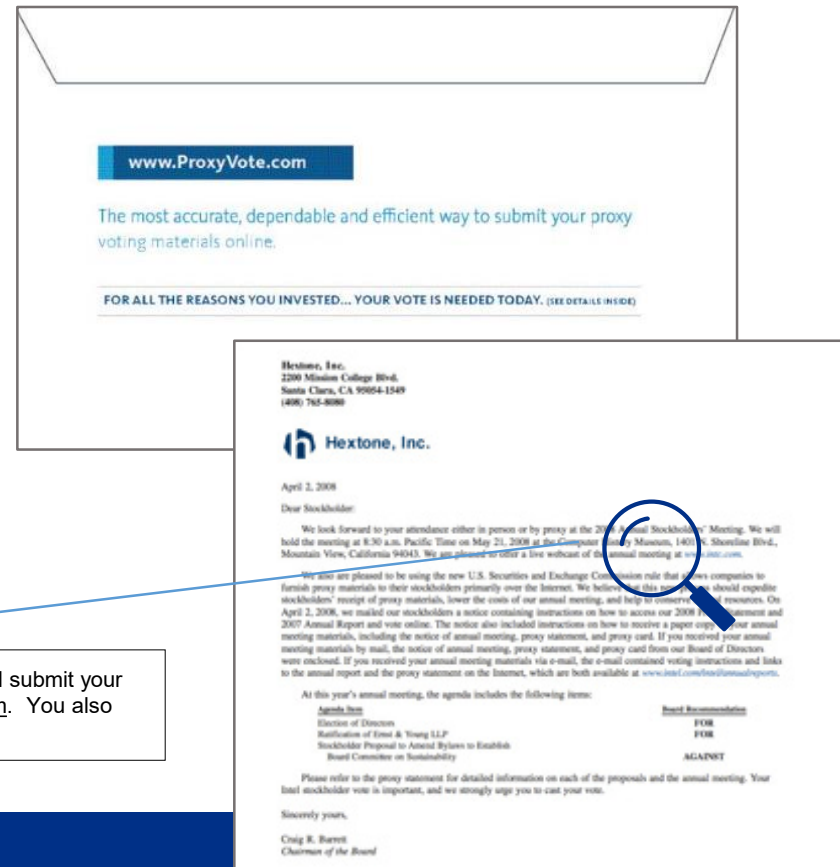


# How it Works – Meeting Set-Up

Today a company publishes their meeting date and time in their proxy statement which is delivered or made available to all shareholders

- The company can substitute a website for a physical address as the meeting location
- A unique control number is provided to each shareholder to use to log into the virtual meeting

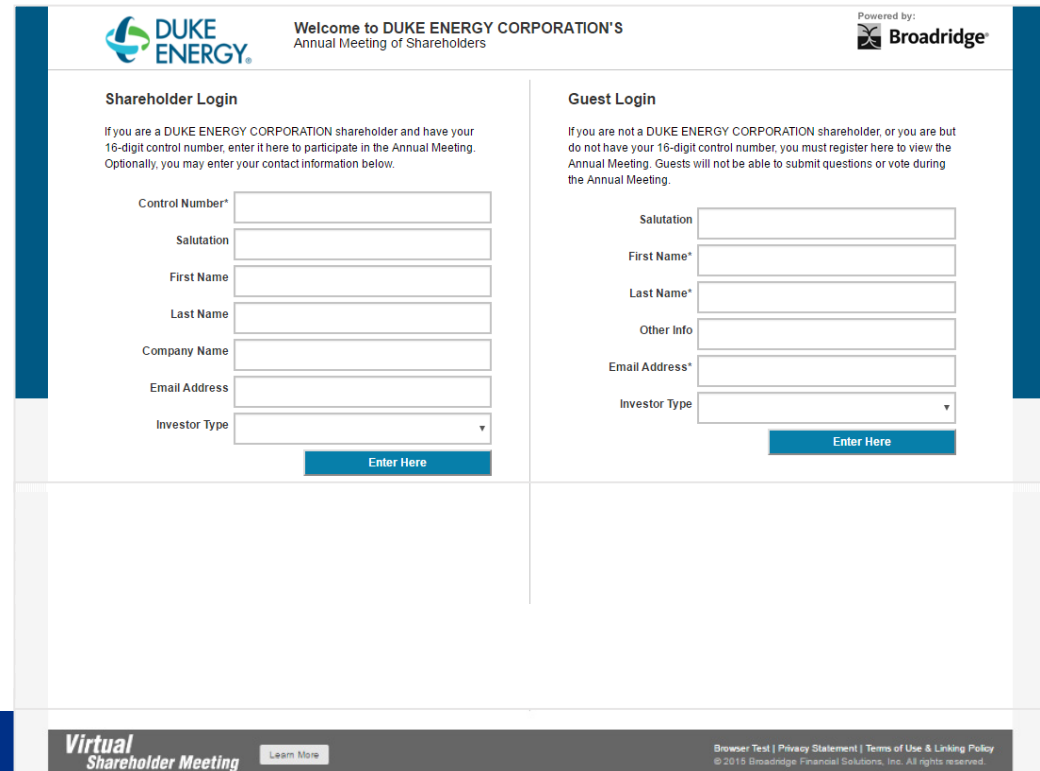
You will be able to attend the annual/special meeting of stockholders online and submit your questions during the meeting by visiting [Hextone.onlineshareholdermeeting.com](http://Hextone.onlineshareholdermeeting.com). You also will be able to vote your shares



➔ [Virtualshareholdermeeting.com](http://Virtualshareholdermeeting.com)

# Shareholder Login Page

- Broadridge offers an easy single step login process
- Shareholders log in to the virtual meeting using their control number
- Guests can also access the meeting if the company chooses



**DUKE ENERGY**

Welcome to DUKE ENERGY CORPORATION'S  
Annual Meeting of Shareholders

Powered by: **Broadridge**

### Shareholder Login

If you are a DUKE ENERGY CORPORATION shareholder and have your 16-digit control number, enter it here to participate in the Annual Meeting. Optionally, you may enter your contact information below.

Control Number\*

Salutation

First Name

Last Name

Company Name

Email Address

Investor Type

[Enter Here](#)

### Guest Login

If you are not a DUKE ENERGY CORPORATION shareholder, or you are but do not have your 16-digit control number, you must register here to view the Annual Meeting. Guests will not be able to submit questions or vote during the Annual Meeting.

Salutation

First Name\*

Last Name\*

Other Info

Email Address\*

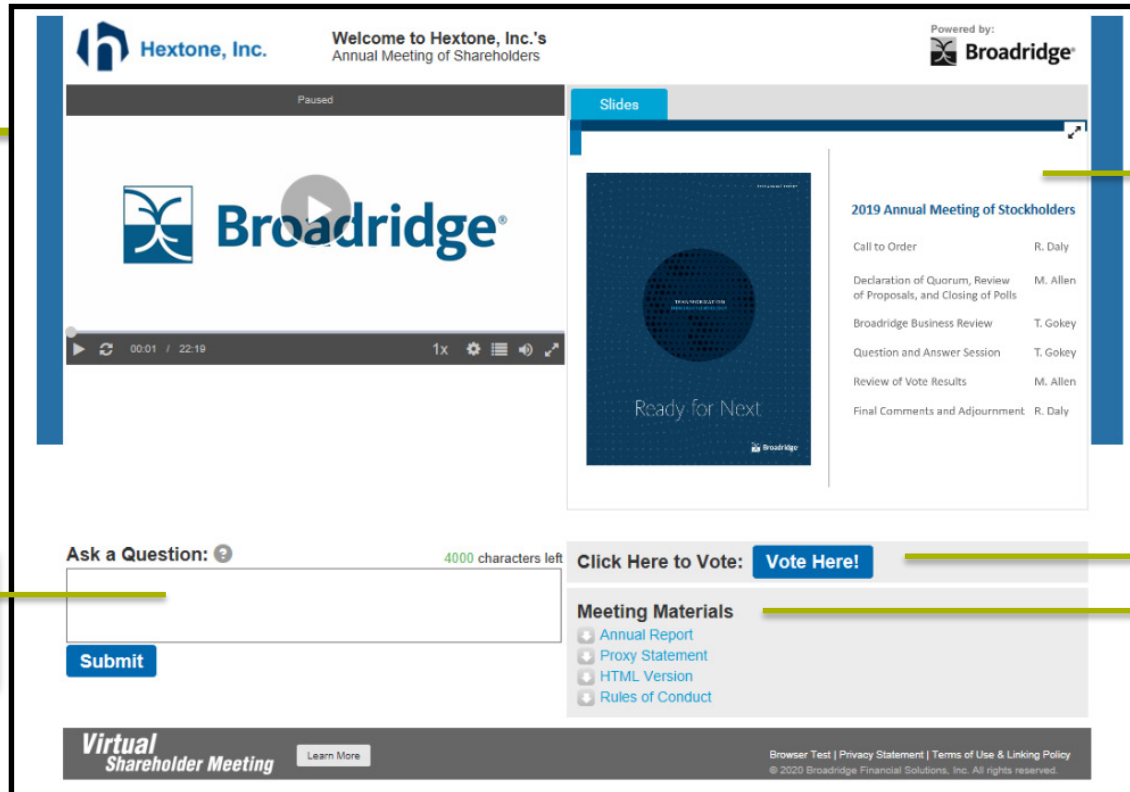
Investor Type

[Enter Here](#)

**Virtual Shareholder Meeting** [Learn More](#)

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# Meeting Page for Shareholders



**Hextone, Inc.** Welcome to Hextone, Inc.'s Annual Meeting of Shareholders

Powered by: **Broadridge®**

Paused

Slides

**Broadridge®**

00:01 / 22:19 1x

Ready for Next

**2019 Annual Meeting of Stockholders**

Call to Order	R. Daly
Declaration of Quorum, Review of Proposals, and Closing of Polls	M. Allen
Broadridge Business Review	T. Gokey
Question and Answer Session	T. Gokey
Review of Vote Results	M. Allen
Final Comments and Adjournment	R. Daly

Ask a Question: 4000 characters left

Submit

Click Here to Vote: **Vote Here!**

**Meeting Materials**

- Annual Report
- Proxy Statement
- HTML Version
- Rules of Conduct

**Virtual Shareholder Meeting** Learn More

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Audio/ video  
player of the live  
meeting

Static Agenda or  
Synchronized  
Presentation

Shareholders vote

Authenticated  
shareholders easily  
submit a question

Easy access to related  
materials

- A VSM enables an Issuer to hold their annual or special shareholder meeting online; it electronically validates shareholders as they enter the meeting, and allows them to listen to and/or watch the proceedings online, vote their shares, and ask questions
- Considerations
  - Company Bylaws
  - Company State of Incorporation
  - Who is handling the registered shareholder mailing?
  - Shareholder Proposals
  - Meeting Agenda – contests are not supported on the VSM platform; but a VSM is a good option for the vast majority of annual or special meetings that are routine.
- When a company decides to host a VSM they must decide on the format:
  - Hybrid versus Virtual Only
  - Audio versus Video



# Recent Events: Virtual Meeting Scenarios for Companies



- **Standard Process:** If the proxy materials have not mailed and the Issuer decides to adopt a Virtual or Hybrid meeting, the process remains largely the same
  - Notify Broadridge as soon as possible so they can commence the set up
- **Contingency Plan:** In this scenario the Issuer discloses in the initial proxy filing that they may switch to a virtual shareholder meeting if the situation warrants
  - If the Issuer wants to include a VSM as part of their contingency plan they need to make this decision in time to include language in the Proxy Statement that will allow for a change of venue
  - If the Issuer then switches to a VSM they must notify their shareholders of this change. ***Please consult with your counsel and specific state law for options***
  - The Issuer must decide if they are going to continue with a physical meeting or switch a VSM four weeks prior to meeting
- **Change of venue:** If the initial proxy mailing has been completed, and the client chooses to change their meeting venue to a Virtual Meeting
  - If the Issuer then switches to a VSM they must notify their shareholders of this change. ***Please consult with your counsel and specific state law for options***
  - The Issuer must decide if they are going to continue with a physical meeting or switch a VSM four weeks prior to meeting

# Resources: Client Planning / Guides / Sample Language



- **Virtual Meeting Best Practices Whitepaper:** Recommendations from the Best Practices Committee for Shareowner Participation in Virtual Annual Meetings.
  - <https://www.broadridge.com/white-paper/principles-and-best-practices-for-virtual-annual-shareowner-meetings>
- **VSM Reference Guide:** Overall Meeting preparation, before and during the meeting “How to” procedures, Proxy Statement disclosures, Day of Meeting scripts, Meeting Rules of Conduct, Technical specifications)
  - Audio:  
[https://materials.proxyvote.com/Approved/EPLST1/20190606/OTHER\\_420664.PDF](https://materials.proxyvote.com/Approved/EPLST1/20190606/OTHER_420664.PDF)
  - Video:  
[https://materials.proxyvote.com/Approved/EPLST1/20190606/OTHER\\_420664.PDF](https://materials.proxyvote.com/Approved/EPLST1/20190606/OTHER_420664.PDF)
- **Materials Samples:**
  - <https://materials.proxyvote.com/RICS18>

A list of upcoming meetings and replays are available here: [virtualshareholdermeeting.com](https://virtualshareholdermeeting.com)

# Resources: Demos / Behind the Scenes / Marketing/2019 Statistics



- **VSM Demo Series** <https://webinars.on24.com/broadridge/VSMDemo2020>
  - Use the Green Bar on the bottom to navigate to screens
  - Use the back button to return the main page
- **Behind the Scenes:** Webinar detailing the day of meeting experience for a shareholder and an issuer as we watch a live virtual meeting in progress
  - Nortonlifelock Annual Meeting: <https://webinars.on24.com/broadridge/GoVirtual>
  - Carver Bancorp Annual Meeting: <https://webinars.on24.com/broadridge/VSM>
- **VSM Promo video** [https://www.linkedin.com/posts/broadridge-financial-solutions\\_virtual-activity-6641328089521618944-MDoW](https://www.linkedin.com/posts/broadridge-financial-solutions_virtual-activity-6641328089521618944-MDoW)
- **VSM video short:** <https://www.broadridge.com/video/virtual-shareholder-meetings>
- **Overview of VSM statistics:** [2019 VSM Facts & Figures](#)

A list of upcoming meetings and replays are available here: [virtualshareholdermeeting.com](https://virtualshareholdermeeting.com)

# Broadridge VSM Contacts



- If you have questions about individual clients please contact:
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