

SRD II Regulatory Update

April 2020



Shareholder Rights Directive II (SRD II) - ProxyEdge® Service and Setup Process

Frequently Asked Questions

1. What is ProxyEdge and how will it help BNY Mellon clients?

- ProxyEdge is an online solution that will help clients manage their voting rights, and tracking and reporting of the meetings taking place on their securities. ProxyEdge is provided through BNY Mellon's third-party vendor, Broadridge.

2. What is the timing for in-scope clients to be fully set up to access the ProxyEdge services?

- BNY Mellon will begin sending all client data required to initiate the account set up to Broadridge starting in June 2020.
- Upon receipt, Broadridge will reach out to each client with instructions on how to set up the linked account(s) and user privileges. BNY Mellon will provide Broadridge with the e-mail address we have on file for you. If you wish to use a different email address, please advise your Relationship Manager **no later than May 15, 2020**.
- If you intend to use a third party (such as a Proxy Advisor or Investment Manager) to receive your general meeting notifications and/or have voting responsibility on your entitlements then please ensure you provide your Relationship Manager with their information **no later than May 15, 2020**.
- Client account set-ups will be initiated prior to the Directive's effective date of September 3, 2020, which will help ensure sufficient time for the recipient to customize their account, as needed (for example, additional users or setting user privileges).
- General meeting notifications will be generated for these accounts closer to the effective date of the Directive.

3. Can intermediary clients who currently use the ProxyEdge service today continue to do so?

- Yes. However, the following will change for existing intermediary client users:
 - All votes on in-scope securities will require the shareholder name and unique identifier, as of September 3, 2020.
 - All intermediary clients will be required to use either SWIFT ISO 20022 or File Transfer to send voting instructions on in-scope securities to Broadridge.
- Further detail and solicitation of intermediary client preferences will be provided by Broadridge during the forthcoming trainings (see Question 8).

4. Will there be any fees charged to clients for ProxyEdge service set up as a result of SRD II?

- There will be no fees associated with the set up and access to the ProxyEdge platform as a result of the Directive.

5. Does BNY Mellon charge for proxy voting services linked to SRD II?

- For clients holding in-scope European securities, general meeting notifications and proxy voting are chargeable services. If you are not currently subscribed to these services, or only using them for certain markets, additional costs will be incurred as a result of increased volumes.
- The fees for these services are not changing as a result of the requirements of the Directive, and are outlined in your standard fee schedule.
- As required under the Directive, BNY Mellon has published our standard fee schedules [here](#).
- Please reach out to your BNY Mellon representative with any questions related to our fees for these services.

SRD II Regulatory Update

April 2020



6. Can clients opt-out of the general meeting notification services?

- As not all EEA member states have transposed SRD II into their local legislation, BNY Mellon continues to monitor this closely and will provide an update as soon there is clarity.
- Until then, any requests to opt-out will only be applicable in the EEA member state that allow it:
 - End shareholders who want to avoid mandatory subscription to this service for all EEA markets must advise their Relationship Manager **no later than May 15, 2020**
 - End shareholders may opt in or out of this service in EEA markets that permit it, at any time, upon request.
- Intermediaries cannot opt-out of the general meeting notification service.

7. What client data will be provided to Broadridge as part of the set up process?

- The email address we have on file (used to distribute this communication) will be sent to Broadridge for use in subscribing clients to this service. Clients who prefer to use an alternative e-mail address must notify their Relationship Manager **no later than May 15, 2020**.
- For end shareholders, the beneficial owner name and unique identifier will be provided (if known).
- If a client wants to use a third party to receive and/or vote on their entitlements, that third party information will also be provided.

8. Will there be training provided to clients who are new to the global proxy voting service?

- Upon setup, Broadridge will provide users with relevant training and user guides that cover all features and functionality of the ProxyEdge service, including how to review notifications and vote in a meeting.
- Intermediary clients will receive relevant training and user guides for ISO 20022 and File Transfer processes. Test plans are currently under review and will be communicated in due course.
- Training will be made available for completion prior to the Directive's effective date of September 3, 2020.

9. What are the requirements for establishing a Power of Attorney (PoA) as part of this process?

- Belgium, Denmark, Hungary, Latvia, Norway and Sweden require a PoA to be in place prior to clients being able to instruct voting action within those member states.
- SRD II requires the name of the shareholder to be present with all votes on in-scope securities. The PoA must be signed by the shareholder to help ensure votes are not rejected.
- Intermediary clients who have PoA documents currently on file with BNY Mellon should review those documents to ensure their shareholder details are noted correctly and consistently throughout all documents.
- Failure to have appropriate documentation on file may result in voting instruction delays or rejections.
- Additional questions regarding market-specific documentation should be directed to our [Client Documentation Control Services](#) team for review and response.

10. Will there be any changes to the contractual documentation between BNY Mellon and clients to reflect SRD II requirements?

- Certain adjustments to client agreements may be necessary to reflect the requirements of SRD II. If this applies to you, we will explain the necessary changes in writing and provide the appropriate documentation to effect the adjustments. We are aiming to do this in good time before September 3, 2020.

For further information on Shareholders Rights Directive II, please visit BNY Mellon's [SRD II Regulation Readiness page](#), or contact your BNY Mellon Relationship Manager.