

Glossary of Terms



Agenda – The agenda of an annual meeting lists the meeting date, time, location, and items of business to come before the meeting.

Annual Meeting – An annual meeting is held once a year to elect the board of directors and transact business that requires shareholder approval. The chief executive officer will report to stockholders on the year's results and outlook for the coming year. Outside the U.S., an annual meeting is referred to as an annual general meeting.

Annual Report – An annual publication that public companies must provide to shareholders describing operations and their financial condition.

Ballot – A device used to cast votes.

Beneficial Owner – A beneficial owner is someone who either directly or indirectly has voting power (the power to vote) or investment power (the power to dispose, or direct the disposal of) a security.

Board of Directors – A group of individuals who are elected to act as representatives of the stockholders to establish corporate management-related policies and make decisions on major company issues.

Board of Trustees – A group of individuals named to manage a non-stock corporation, i.e., mutual fund, mutual savings bank, or foundation.

Broker – A broker is an individual or party (brokerage firm) that arranges transactions between a buyer and seller for a commission or fee.

Broker Discretionary Voting – NYSE Rule 452 permits brokers to cast votes for customers who have not responded to a request for voting instructions in a proxy solicitation. Broker voting of uninstructed proxies only occur in matters of routine business at annual meetings.

CASS – Coding Accuracy Support System enables the United States Postal Services (USPS) to evaluate the accuracy of software that corrects and matches street addresses. CASS certification is offered to all mailers, service bureaus, and software vendors that would like the USPS to evaluate the quality of their address-matching software and improve the accuracy of their ZIP+4, carrier route, and five-digit coding. CASS software will correct and standardize addresses. It will also add missing address information, such as ZIP codes, cities, and states to ensure the address is complete.

Class of Shares – Types of listed company stock that are differentiated by the level of voting rights shareholders receive.

Control Number – A unique number assigned to a shareholder to grant them access to vote on a designated website.

Cumulative Voting – A system of voting in which each voter is given as many votes as there are positions to be filled and allowed to cast those votes for one candidate or distribute them in any way among the candidates.

CUSIP – A 9-digit alphanumeric security identifier issued to North American securities for the purposes of facilitating clearance and settlement of trades. The CUSIP distribution system is operated by Standard & Poor's.

Depositories – An agent authorized to place funds or securities in safekeeping in a depository institution. The Depository Trust & Clearing Corporation (DTCC) – The DTCC is the leading security depository in the United States.

eConsent – eConsent reflects a shareholder's request to receive shareholder communications electronically or online.

eProxy – The SEC adopted rules allowing electronic delivery of proxy materials that permit companies the opportunity to provide an internet delivery option.

Fiscal Year – Twelve consecutive months used by a business entity to account for and report on its business operations.

Holder of Record – Owner of a company's securities as recorded on the books of the issuing company or its transfer agent as of a particular date.

Householding – Householding rules allow companies and mutual funds to make delivery of a single prospectus, annual and semi-annual reports, and proxy information to investors who reside at the same address.

Inspector of Elections – An official responsible to ensure elections are conducted in an open and honest manner and determine that ballots are properly cast.

Interactive Voice Response (IVR) – An automated telephone information system that speaks to the caller with a combination of fixed voice menus and data extracted from databases in real time.

Issuer – A legal entity that registers and sells securities for the purpose of financing its operations. A publicly traded company is an issuer of securities.

Legal Proxy – A written authorization whereby a bank or broker transfers voting entitlements to the beneficial shareholder. A legal proxy document is required when the beneficial shareholder wishes to attend an annual meeting and vote in person.

Meeting Date – The date that the proposed meeting is scheduled.

Nominee Name – A nominee name is the name under which a security is registered and held in trust for a beneficial owner.

Non-Objecting Beneficial Owner (NOBO) – A Non-Objecting Beneficial Owner is a security holder who has given permission to a financial intermediary to release the owner’s name and address to a public company that he or she has invested in for the purpose of receiving proxy mailings and shareholder communications.

Notice and Access (NAA) – Pursuant to the SEC’s proxy rules, a company may, but is not required to, furnish proxy materials to shareholders through a “notice and access” model. A company choosing this model must post its proxy materials on an internet website and send a Notice of Internet Availability of Proxy Materials at least 40 days before the meeting date.

Objecting Beneficial Owner (OBO) – An Objecting Beneficial Owner is a security holder who does not give permission to a financial intermediary to release the owner’s name and address to a public company that he or she has invested in for the purpose of receiving proxy mailings and shareholder communications.

Omnibus Proxy – An omnibus proxy is issued by security depositories or bank custodians, as the shareholders of record, which provides a list of the participating financial institutions and their holdings and authorizes the participants to vote their proxies directly.

Over-voting – Over-voting occurs when there are more votes cast with respect to a block of shares held by a financial intermediary than the number of shares held.

Proposals for Meeting – Issues covered in a proxy statement (i.e., election of board of directors, information on directors’ salaries, option plans for directors, and any declarations made by company management).

Proportional Voting – Under proportional voting, a broker exercises its authority to vote any uninstructed shares of beneficial owners in the same proportion as instructed shares, with no minimum amount of instructed shares required.

Proxy – An agent legally authorized to act on behalf of another party. Shareholders not attending a company’s annual meeting may choose to vote their shares by proxy by allowing someone else to cast votes on their behalf.

Proxy Ballot – A ballot is the form used to vote at a stockholder meeting. A stockholder who has voted by proxy but attends the meeting and wishes to change that vote is given a ballot. Also, people appointed to be proxy fill out a ballot at the meeting to cast votes for the stockholders who submitted valid proxies. This is referred to as a Master Ballot.

Proxy Card – The proxy card allows stockholders to participate in voting at a meeting whether or not they attend. By filling out the proxy card, signing, dating, and returning the card, stockholders can instruct management to vote their shares in accordance with their wishes as indicated on the proxy card.

Proxy Solicitor – A company or specialist hired to gather proxy votes.

NCOA – National Change of Address “is a secure dataset of permanent change-of-address (COA) records consisting of the names and addresses of individuals, families and businesses who have filed a change-of- address with the USP”.^[1] It is maintained by the United States Postal Service and access to it is licensed to service providers and made available to mailers. The use of NCOA Link is required in order to obtain bulk mail rates, as it minimizes the number of UAA (Undeliverable As Addressed) mail pieces.

Proxy Statement – A proxy statement is a statement required of a firm when soliciting shareholder votes. This statement is filed in advance of the annual meeting. The company needs to file a proxy statement (Form DEF 14A) with the SEC.

Proxy Voting – The process by which an owner of a security provides authority or power for a person to act on his or her behalf in voting corporate shares of stock.

Quorum – The minimum number of shareholders who must be present or represented by proxy at an annual or special meeting in order to transact business at the meeting.

Record Date – The date established by a public company for the purpose of identifying the shareholders who are entitled to vote at a shareholder meeting.

Registered Shareholder – A shareholder who holds shares directly with the company and is recorded in the company’s share registry. The shareholder receives dividend payments directly from the issuing company.

Shareholder of Record – The legal owner of a share of stock, but who may not be the person or institution who actually derives the benefit of the share. (See also Beneficial Owner)

Solicitor – An entity retained by the issuer to identify shareholders holding the firm’s securities and disseminate information on the company meetings, proxy statements, and financial information.

Street Name Shareholders – An account containing securities held in the name of a broker or other nominee instead of the shareholder.

Tabulation – The act of counting shareholder votes cast for an annual or special meeting.

Tabulator – The entity responsible for performing the tabulation of an annual or special meeting.

Transfer Agent – A trust company, bank, or similar financial institution assigned by a corporation to maintain records of investors and account balances and transactions, to cancel and issue certificates, to process investor mailings, and to deal with any associated problems (i.e., lost or stolen certificates).

Trustee – A member of a board elected or appointed to direct the funds and policy of an institution.

Voting Instruction Form (VIF) – A form similar to a proxy card, but it lacks the language appointing the proxies. A VIF is typically used by brokers and proxy agents to determine how the underlying holders want to vote.