**Proxy Voting Sub-Committee Meeting Notes**

**Call held Monday May 19, 2014**

Attendees:

Les Turner, ISS

Elizabeth Maiellano, Broadridge

Jacque Littre, SWIFT

Christine Strandberg, SEB (SE)

Mike Kania, BNYM (US)

Elena Solovyeva, NSD

Chris Webb, Equiniti (UK)

Ania Traeger, DB (DE)

Paola De Antoni, SGSS (IT)

Alexander Wathne, Nordea (NO)

Cynthia Hass, (ZA)

**PV Meeting Agenda for May 19 2014**

1. Review list of potential CRs below based on last year review of PV messages and decide whether we submit a CR
   1. *Meeting Notes: See comments in the CR grid*
2. Follow up on the SR2014 CRs 000611 from UK on PV  i.e. further analysis of the business case
   1. *Meeting Notes: The CR was originally rejected by the Maintenance Group due to cost an infrastructure in place. Even if the message codes are optional, all users must adapt their systems. Limited value perceived as not all markets will make use of messages. ISO 20022 standard addresses Proxy Voting specifically and if market changes should be recognized, they should be done in this standard.*
3. Follow up on other conclusions of last year PV meetings
   1. *Meeting Notes: To be addressed at a follow up meeting at the end of June*
4. BMET event: creation of market practice, and possible improvement of ISO definition, for the new meeting type, bondholder meeting (see also related CR in item 1)
   1. *Meeting Notes: The ISO defines a BMET as a Consent Meeting with a physical meeting. A Consent meeting does not have a physical meeting. The ISO 15022 2014 SR includes the BMET code. Since the 15022 standard is used for both Corporate Action and Proxy events, there is the ability for custodians and providers to make an internal decision as to how the event is handled. However, once the message type is defined as Corporate Action or Proxy, it can only be supported in the associated CA or PV 20022 message suite, and not both. Mike Kania represented that BNYM and other custodians consider BMET to be a Corporate Action. Les Turner shared that some custodians serviced by ISS define it as a Proxy Event. The PV group agreed that it is not our remit to define the message type but rather allow for the appropriate processing. If BMET is defined as a Proxy Event, the PV group agreed that the 20022 PV message suite should support it.*
5. Pending questions on PV: *Meeting Notes: This item will be discussed at the next meeting to be scheduled at the end of June.*

* Meeting messages relate questions: when the messages were designed was it expected that the account information will travel all along or does it needs to be accumulated in each intermediary? For example we have a chain: Issuer - Agent - Local CSD - Global CSD - Funds - Holders. It is expected that the issuer ultimately gets every instruction from the holder or each institution will put together the instructions and the issuer will receive a total count?
* How does the instruction status (for Meetings/Proxy) works ? is it send back on particular instruction or set of instructions? Also how does Vote Confirmation of Execution Work is it per Beneficial Owner or per Omnibus account?
* Meeting Entitlement Notification which way can it be sent? To the CSD Participant or to the Issuer (see ISO 20022 flow description)?

**List of potential CRs**

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| **Potential CRs based on last year review of PV messages** | **Meeting Comments** |
| 1. In all the seev.001 to seev.008 messages, remove the “Identification” element containing the message “Identification” and the “CreationDate” as they are now in the ISO 20022 Business Application Header to be used with the ISO Securities messages | SWIFT will submit, harmonisation change |
| 1. In all the seev.001 to seev.008 messages, align with latest Extension components i.e. replace element “Extension” by “SuplementaryData” typed by “SupplementaryData1”. (See existing ISO CR0318) | SWIFT will submit, harmonisation change |
| 1. In all the seev.001 to seev.008 messages – Security/Identification. Align with the new CA MX security Id “SecurityIdeentification14” (or SecurityIdentification15 in subsets). | DTCC & ISITC will submit |
| 1. In seev.001 and seev.003, make the NotifyingParty element optional | OK |
| **IN SEEV.001 - MeetingNotification** |  |
| 1. In seev.001, make the following elements optional 2. Issuer ???? 3. EntitlementSpecification | No to issuer, need block to identify security  Ok to Entitlement Specification |
| 1. In seev.001 – Meeting Notification. In Meeting/AttendanceRequired, add a choice between the YesNoIndicator and a new “Uknown” code value. | OK |
| 1. In seev.001 – MeetingDetails/MeetingDate. Make a choice between a Date alone or a DateTime or a DateCode (“Unknown”) | OK, will suggest to add new code |
| 1. In seev.001, Make “Resolution/Type” Optional and eventually removing the code “Ordinary” as this would be the default and the element could be used only for the Extraordinary and Special. | OK, aligned with other CA messaging |
| 1. In seev.001, make the element “Resolution/Submitted by Security Holder” as optional or add a choice with a code value “Unknown”. | OK, either solution is acceptable |
| 1. In seev.001, for the element “Vote/VoteMarketDeadline”, make a choice between a Date alone or a DateTime or a DateCode (“Unknown”). | OK, don’t always know the notification date |
| 1. In seev.001 – add BMET event “Bond Holder meeting”. In element “Meeting/Type” code, add the new BMET meeting created in CA, eventually redefine the event properly. | If BMET is defined as a “proxy event” rather than a CA, the 20022 messages should align with 15022; SWIFT will submit a part of harmonisation in that case. Should apply to all messages. |
| 1. In the seev.001, add an new “EarlyVoteWithPremiumDeadline and EarlyIncentivePremium similar to VoteWithPremiumDeadline and IncentivePremium. | OK |
| 1. In seev.001, EntitlementSpecification/EntitlementFixingDate: Record date may be established at the start or end of the record date depending on jurisdiction. A field should be added to capture this data ???? | OK |
| 1. In seev.001, EntitlementSpecification/Entitlement/EntitlementRatio: The choice needs to be expanded to add EntitlementSpecification at the Resolution Level. In Russia, there may be different entitlements for different resolutions. ????? | OK, cumulative voting applies in some markets |
| 1. Power of Attorney Requirement: Add a new optional DocumentSubmissionDeadline element with a choice between Date and DateCode as datatype. | OK |
| 1. FROM JWG GM- 2010 - AdditionalInformation/Disclaimer to be renamed “IssuerDisclaimer” | No, disclaimers belong in contracts and service level agreements, not event messaging |
| 1. FROM JWG GM- 2010 - An element that they require in the meeting notice is whether or not the issuer will accept aggregated votes, ie, one instruction from the intermediary that includes all votes for all accounts. ??? | No, this is an old request and details are not available |
| 1. Apply same change as CA SR2011 CR III.9 - Add “PreviousInstructionsInvalidity” (PINS) Indicator code for an extension of market deadline.   Added as an optional flag in Amendment ??? | OK, aligns with 15022 |
| **IN SEEV.002 - MeetingCancellation** |  |
| 1. **Message Cancellation:** Remove this block to match SMPG standard implemented after the XML message was created. If the meeting is valid, a MeetingCancellation message should not be sent. The message in only used to cancel events; messages are replaced. If the issuer cancels the meeting a Withdrawn code is used. | OK |
| **In seev.004 – MeetingInstruction** |  |
| 1. Make InstructingParty optional (likely the sender of the message but that is already in the BAH). | OK |
| **In seev.005 – MeetingInstructionCancellationRequest** |  |
| 1. Cancellation3Guideline should be updated to add that if the optional blocks are used they must be identical to those in the message that is being cancelled. | OK, this is a rule change only |
| **In seev.006 - MeetingInstructionStatus** |  |
| 1. Set ReportingParty as optional | OK |
| 1. **Instruction Type Status > Instruction Status > Global Instruction > Processing Status > Status > RCIS:** This message states that the instruction is confirmed by the issuer. Should the definition be modified? The actual action pre-meeting would be confirmation that the instruction was received by the issuer, not confirmed. | OK, this is a definition change for RCIS; this is a pre-meeting status |
| **In seev.007 - MeetingVoteExecutionConfirmation** |  |
| 1. Set ReportingParty as Optional | OK |
| 1. Set VoteInstructions/VotePerResolution as Optional | OK |
| 1. Add “Withdrawn” element in VoteInstructions/VotePerResolution to take resolutions withdrawn at the meeting into account. | OK |
| **In seev.008 - MeetingResultsDissemination** |  |
| 1. Set ReportingParty as Optional | OK |
| 1. Add “Withdrawn” element in VoteResults to take resolutions withdrawn at the meeting into account. | OK |
| 1. It was pointed out that the message does not cater for ‘Say on Pay’ proposals that are applicable to US meetings. In these cases the relevant ‘Say on Pay’ proposal is not voted on the basis of FOR, AGAINST or ABSTAIN, but as the option of ‘1 Year’, ‘2 Year’ or ‘3 Year’. It would appear that additional codes in the **Vote Result** block would be required to include these additional options. Elizabeth agreed to double check this. ??? | Elizabeth to verify internally with Broadridge **/ POST MEETING UPDATE, YES, BROADRIDGE AGREES THAT THE US MARKET STANDARD FOR SAY ON PAY PROPOSALS SHOULD REFLECT YEAR OPTIONS, RATHER THAN FOR, AGAINST, ABSTAIN** |
| 1. **Participation:**  In this block, **Total Number of Securities Outstanding** can only be expressed as **Active Currency and Amount**. Given that a large proportion of results will apply to shareholder meetings, the group agreed that it should be possible to also have the option to express this simply in Units or FaceAmount. | OK |

Jacques will prepare the CR 2015 for ISO 20022 standard.