



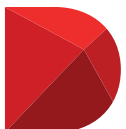
# Improve Board Performance With Digitized Voting

*The voting results are in! Those are welcome words for the Corporate Secretary, who sweated it out for days on a time-sensitive issue, trying to get votes from a dozen board directors around the world who live and work in various time zones. The Corporate Secretary may have been on pins and needles because of worry over whether board directors could get to a meeting in person. If the vote was taken via email, the Corporate Secretary may have worried about any number of complications, including sending them to the wrong recipient, the legitimacy of the voting, or weak or nonexistent security.*

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Personal and business emails are often the electronic tools of choice, but those options bring many risks of communications and votes getting into the wrong hands. In a 2017 Diligent survey of more than 350 directors of publicly traded companies, 92% of the respondents said that their preferred method of communication was their personal email account. Nine of 10 board directors said that they occasionally used their personal email accounts for board communications, and 59% said that they used personal email accounts regularly for board business.

It's easy to understand the temptation for board directors to use email or other means for discussing board business and voting on important matters. Email or other related technologies are cheaper, faster and support group communication effortlessly. As major data breaches on email providers and electronic messaging apps began to increase in frequency and number, board directors and other business people are realizing that they need electronic solutions for communications and voting that were designed with trusted, high-level, built-in security.



**Diligent**

## Improve Board Performance With Digitized Voting

We can sum up the definition of board activities with a single word — governance. Voting on resolutions and other vital board matters is a critical component of board business. As board business becomes more digital- and mobile-friendly, board directors are looking for digital alternatives to in-person meetings and manual processes.

The development of digital solutions for board work is proving that digitized tools solve existing problems for board directors — but that's not all. Many of the new features of software solutions streamline and enhance processes for regular board activities. What's even more exciting about digital solutions for boards is that Diligent Corporation developed Governance Cloud — a suite of electronic tools that integrates seamlessly with the Diligent Boards portal to form the most complete enterprise governance management solution.

The latest enhancements to the Voting & Resolutions software product is just one example of a solution, built onto a solution, to provide value for board directors, officers and administrators.

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*In some states, it isn't considered legal for corporate boards to record votes using email because this format isn't considered a legal meeting.*

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### What's Wrong With Using a Personal or Business Email for Board Voting?

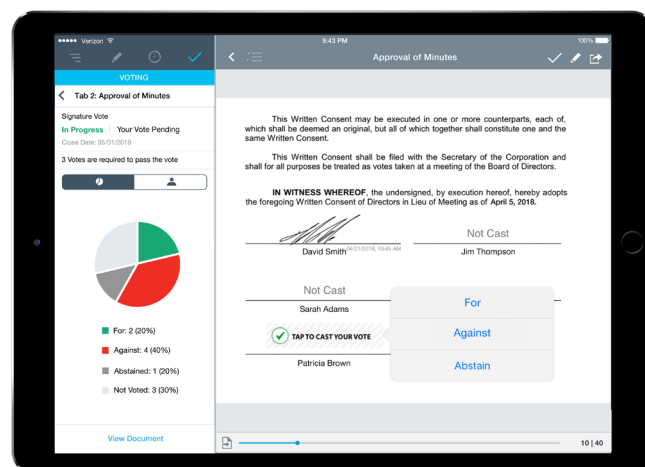
A better question might be, "What isn't wrong with using a personal or business email address for board voting?"

Security is typically the biggest issue for corporations. With over 1 billion Yahoo email accounts being hacked in 2014 and a bank employee who was fined and lost his job for sharing confidential information over the electronic messaging app WhatsApp, boards know the risks in using electronic tools for business that were developed with public use in mind. With that being the case, most organizations are trying to implement the most secure security practices available to ensure that their company is protected. These actions, of course, start at the board level and trickle down.

In some states, it isn't considered legal for corporate boards to record votes using email because this format isn't considered a legal meeting.

to the wrong person or copied the wrong person on an email chain at one time or another, causing a minor panic about the contents of the email falling into the wrong hands.

There's also an issue of making sure that board members are getting emails from the board chair, secretary and other board directors.

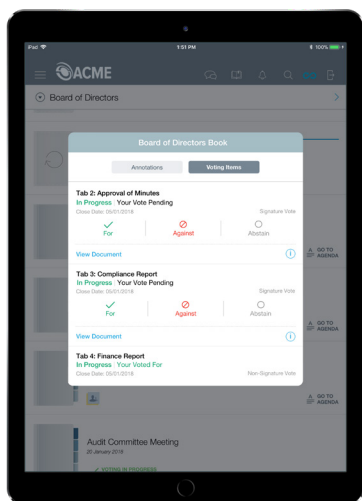


People occasionally change their primary email address and forget to change it in all of the places they need to, which may prevent them from receiving important board correspondence. Let's face it, some people get hundreds or thousands of emails every day. It's so easy to pass over reading an email, especially when the subject line isn't clear, and a board director could miss an opportunity to cast a vote.

Let's suppose that the right board director received an email with an attachment asking them to vote on information contained in the document, and the board director couldn't open the attachment. The problem might lead to the inability to establish a quorum. More importantly, the board director might lose an important opportunity to vote on an issue that matters.

Even if board members get the request to vote in time, email voting can cause pain points for the Corporate Secretary when tabulating votes. Even when given clear instructions, board directors may not give consistent responses. Some board members may vote "yes" or "no," while others vote "aye" or "nay"; "for," "against" or "abstain"; or "support" or "not support." This could open the door to allegations of an invalid vote. Email voting doesn't allow board members to see how their peers voted. In fact, they may not even know the results of the vote for weeks.

Fiduciary responsibilities require board actions and decisions to be controlled, transparent and properly recorded. Board actions are critical to a corporation's future. It's prudent not to approach them casually.



## Digital Voting & Resolutions Software Enhancements

Diligent Corporation is a leader in software products for board use because their developers are continually working on enhancing current products and creating new software solutions that transform manual processes; make it easier for board directors to collaborate with each other; and share the highest level of security across the entire suite of products in the Governance Cloud.

Practicing good governance involves more than just digitizing board materials. Diligent's Governance Cloud is the only comprehensive suite of secure, integrated digital tools that powers the full scope of governance responsibilities. Diligent offers clients customized board solutions, such as:

- Diligent Boards
- Diligent Minutes
- D&O Questionnaires
- Board Evaluations
- Diligent Messenger
- Diligent Insights
- Entity Management
- Voting & Resolutions

Clients are sure to get excited about the launch of Diligent's new customizable voting enhancements. The most recent updates provide even more options for administrators to issue a vote and track results, and for directors to approve a motion from anywhere in the world.

Diligent's voting tools provide customized options for the Corporate Secretary to issue votes to directors that enable them to take action from their own devices, wherever they are, and in ways such that the votes of board directors are clear.

The new voting enhancements reinforce how software developers gave security and integration a high priority by keeping all tools that comprise the Governance Cloud safely within the security of the Diligent ecosystem.

## Not Using Digitized Voting Yet? Here's What You Need to Know

Electronic voting tools support a board's voting workflow. Board directors can go directly to the platform and cast a quick vote or approval with a few clicks or taps on the screen. Vote using a yes/no/abstain or for/against/abstain response, or vote with or without an attached electronic signature. The vote tallying feature is a new optional enhancement whereby boards can get voting results as they happen. Directors can even add comments to their vote if they wish.

Busy board directors will appreciate the convenience of completing board business all under one electronic roof. To make things even more convenient, the voting tool may also be used with Diligent's other integrated modules, such as Diligent Minutes, to increase efficiencies around meeting minutes approvals.

Board committees can also leverage the voting feature for resolutions pertaining to specific committee topics.

These features and tools are just a few examples of what makes Diligent the most advanced, best-in-class board software solution provider in the world.



### Already Using E-Voting? There's News for You, Too

It can be time-consuming and difficult to chase down approvals for meeting minutes or votes needed for follow-ups after meetings. The voting enhancements don't require board directors to have a signature on file. They can now vote using a simple "yes or no" selection. They can even vote anonymously.

Often, boards have already discussed agenda items at length during board meetings. They've read the reports and listened to the experts. By the time they're ready to vote, they've read all they need to and they've made up their minds on how they plan to vote. The quick vote feature lets them vote in seconds, and they can register their vote on their tablet or cell phone.



Diligent's clients asked for some space to type in comments. They also wanted voting in real time where they could see the results immediately. Directors can set their systems to notify them when new votes come in via push notifications and alerts through Diligent Messenger. Diligent listened and brought these and other enhancements, providing even more insight and transparency than ever before.

Board directors told Diligent that they serve on multiple boards and they'd like to be able to log in once to gain access to all board materials for all of the boards on which they serve. The new voting enhancements allow board directors to apply the profile and signature on file to all of their Diligent boards. To vote across boards, they merely have to enable the overlap function.

### Voting Enhancements Create Greater Efficiency for Administrators

The new voting enhancements on Diligent Boards' Voting & Resolutions tool will save administrators time when they need to call for votes between meetings. Administrators can now send out a request for board directors to approve the meeting's minutes and give them more options on how they can respond to get the task completed in record time. Seamless integration between the platform and the voting tool makes this possible. The enhancements will also allow for more flexibility with respect to how directors vote on important board issues, while also saving them time and providing more reporting. Now board members can easily:

- Tally their votes in real time
- Customize voting type with a for/against or yes/no response
- Vote right from their bookshelf (home screen)
- Vote anonymously
- Vote and leave a comment
- Apply one signature across all of their boards

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### Voting Enhancements Create Greater Efficiency for Administrators

The more Diligent clients explore and use the Voting & Resolutions tool, the more uses they will find to implement it. The Voting & Resolutions tool is applicable for standard consents, compliance matters, votes, approvals and more. Here's a sampling of the many creative uses by which boards may put the voting tool to work:

- Signatures on 10-K Forms and SEC registration statements
- Approval of new policies and motions between meetings
- Unanimous written consents
- Approval for meeting minutes
- Approval of committee chairs
- Votes on resumes of external directors joining subsidiary boards
- Tracking attendance for mandatory board seminars
- Urgent approval on a loan that falls out of policy



## Improve Board Performance With Digitized Voting

This client testimonial demonstrates exactly how valuable the Voting & Resolutions tool can be for busy corporations:

*“Trying to track down 11 directors to provide consent on time-sensitive issues is very challenging. Our directors are all over the world and in different time zones and we only get them all together for board meetings four times per year.*

*When we need the board to approve a record date and a payment date for quarterly dividends to shareholders, we set up a Written Consent of the Board of Directors as a voting document in Diligent and notify the directors that a written consent has just been uploaded.*

*Directors simply log in and give consent with their previously uploaded signature.*

*And today we pay our shareholders thanks to Diligent!”*

**— Regional Bank SVP and Corporate Secretary**

### Why Diligent Is the Leader in Enterprise Governance Management

Diligent offers the most advanced, secure and fully integrated voting tools. Over 145,000 directors and executives put their trust in Diligent worldwide.

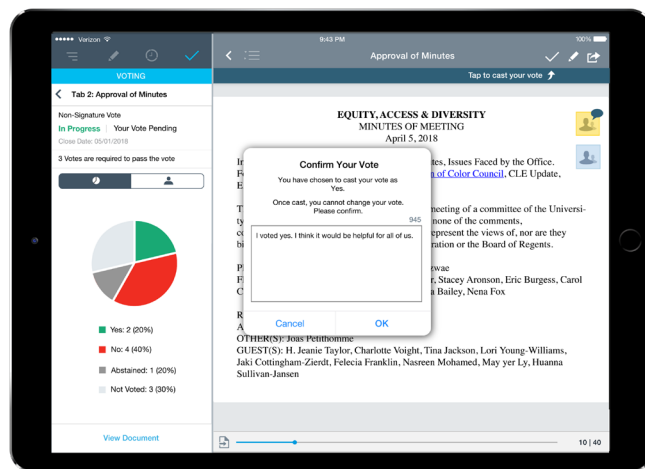
Diligent set out to develop something more than a board portal. Diligent’s goal is to manage the full scope of a board’s moving parts, including contacts, committees, reporting, voting, mobile-friendliness and ease of use for directors who serve on multiple boards.

### Products and Their Benefits

Diligent’s suite of tools in Governance Cloud brings board and committee materials to each director’s fingertips. They can annotate documents in tandem with other users and get notifications about updates. Electronic filing systems make it ultra-easy to search the archives and other board resources.

Directors can complete their D&O questionnaires at any time from any location using the D&O Questionnaires product, which integrates fully with Diligent Boards. The D&O Questionnaire tool has built-in tools for analyzing, preparing, exporting and presenting results in various forms.

Diligent Boards provides security and confidentiality by providing virtual data rooms for committee meetings, special meetings and other confidential collaborations.



Virtual data rooms are especially valuable for merger and acquisition due diligence meetings, where it’s important to maintain the strictest confidentiality.

Board administrators are sure to appreciate the drag-and-drop technology in Diligent Boards that helps them build their board books in minutes. They can manage meetings, consolidate contacts, add to and review their calendars online, and manage the many logistics of holding meetings.

The platform alleviates concerns about board directors and others accessing information that they don’t need or shouldn’t have. Board administrators can easily set permissions at the user and document levels for all users.

Board directors and business professionals in all types of industries increasingly rely on mobile devices to conduct business on-the-go. While electronic apps and programs may have strong security, mobile devices can easily get lost or stolen while traveling or commuting. With Diligent systems, board administrators can use the remote-wiping tool to erase all data on mobile devices that end up in someone else’s hands.



## High-Level Security

As part of the Governance Cloud ecosystem, every Diligent tool is designed for optimum protection from hacks, cyber threats and data breaches.

Board directors and officers trust Diligent because Diligent employs the latest technologies, threat information, and security and compliance vulnerabilities with robust encryption and a world-class hosting infrastructure. Diligent's solutions are internationally audited and ISO- and TRUSTe-certified. Diligent offers the safeguards you can trust with every product.

Diligent supports their products with a team of experienced professionals offering award-winning customer service 24/7/365.

If your corporation has been laboring over issues with efficiency and concerns about data information security, Diligent Corporation has solutions for every type and size of corporation. The enhancements for the Voting & Resolutions tools are an indication of the types of innovations that your corporations can expect as a Diligent client to promote board productivity now and in the future.



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