



Maximizing Value: **Best Practices** to Look for in a Transfer Agent



Your transfer agent has an important role to play in helping you control costs while keeping shareholders informed and engaged. The following tips highlight why it's important to work with a transfer agent that can help you uncover cost savings while still delivering exceptional shareholder services.

1. Encourage shareholder adoption of digital tools

Adopting secure online platforms for delivering shareholder communications – such as statements, tax forms, company updates and account alerts – not only reduces printing and mailing costs but also allows investors to conveniently access all their documents in one location.

A transfer agent that offers comprehensive services should provide and manage a shareholder portal that allows shareholders to easily access all their account information. With this portal, the costs and volume of material sent can be reduced while also enhancing the shareholder experience. Additionally, your business can meet its sustainability goals by reducing the amount of paper printed and minimizing the carbon footprint associated of mailing documents.

2. Reduce dividend mailing costs

Reducing the number of paper dividend checks you print and send is another way of cutting printing and mailing costs. In addition to saving money, delivering dividends electronically helps shareholders receive their dividends sooner while reducing the risk of mail theft or check fraud.

The right transfer agent can help you understand how to pay your dividend in the most efficient manner possible. Options to consider include promoting ACH and Dividend Reinvestment Plan (DRIP) options to shareholders who currently receive a check to help boost program enrollments. Finally, your transfer agent should help you review your DRIP statement mailing frequency to uncover opportunities to save money, such as by sending statements on an annual basis instead of quarterly or promoting e-delivery of statements and tax forms to further reduce postage expenses.

3. Reduce regulatory mailings

Transfer agents are responsible for the accurate delivery of required communications, such as annual reports, proxy statements and other disclosures. In addition to encouraging shareholders to opt-in to digital delivery, an experienced transfer agent should help you reduce the number of regulatory mailings required by evaluating your current mailing cadence and leveraging best practices.

One example is the escheatment process, which occurs when a state takes possession of abandoned property. The transfer agent works on behalf of a business to identify lost or dormant shareholders and then turns their abandoned assets over to the state listed as the shareholder's last known residence. By leveraging a program to accelerate the process of reuniting shareholders or their heirs with their assets, the right transfer agent can significantly reduce the cost of the multiple mailings this process typically requires.

4. Leverage odd lot programs

The cost to administer investors who own only a handful of shares is the same as the cost to administer your largest shareholders. With an odd lot program, you can encourage registered investors with smaller holdings to sell their shares, reducing both the number of overall shareholders and the associated costs of record keeping, issuing dividend payments and managing communications.

The right transfer agent can help you evaluate whether an odd lot program will deliver cost savings. If it will, the transfer agent can help create, administer and promote the odd lot program to small shareholders to encourage participation.



5. Determine whether to use stratification or full notice and access vs. traditional mailing

Traditionally, shareholders have received a full set of annual meeting materials, consisting of the proxy statement, proxy card, postage-paid envelope and other related materials. Companies can also leverage notice and access via a digital platform to provide meeting materials to shareholders. This option allows issuers to mail a simplified set of documents to shareholders instead of the traditional full paper proxy package.

Stratification is a method companies can use to help mitigate concern of a reduced quorum percentage while also reducing the cost of printing and mailing a complete set of annual meeting materials for each shareholder. Instead, full materials are sent to your largest investors, while the rest of your investors are informed that they can review the materials at their convenience through an online portal. Leveraging stratification is an easier way to meet the shareholder engagement and compliance needs of a large and growing shareholder base without incurring extra costs.

Best practices that work

Your transfer agent's ability to uncover cost savings is one of the key things to consider when choosing a provider. At EQ, along with transparent pricing, we also use a collaborative approach to deliver comprehensive transfer agent services — just another reason why EQ is the #1 Transfer Agent in Client Satisfaction.¹

[Learn more about EQ Transfer Agent Services.](#)

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Transfer Agent in Client Satisfaction.¹

Over 9.8 million

transactions processed for shareholders annually²

99.2%

processing accuracy rate³

1 Group Five 2023 Shareholder Services Benchmarking Study.

2 Based on EQ U.S. Proprietary Data.

3 Ibid.

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