UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2021
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission File Number 001-33220

BROADRIDGE FINANCIAL SOLUTIONS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**33-1151291**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
5 Dakota Drive **Lake Success** **New York**	**11042**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (516) 472-5400

Former name, former address and former fiscal year, if changed since last report: N/A

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class:	Trading Symbol	Name of Each Exchange on Which Registered:
Common Stock, par value $0.01 per share	**BR**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging Growth Company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of the registrant's common stock, $0.01 par value, as of October 29, 2021, was 116,578,068 shares.

TABLE OF CONTENTS

NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q of Broadridge Financial Solutions, Inc. ("Broadridge" or the "Company") may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Statements that are not historical in nature and which may be identified by the use of words such as "expects," "assumes," "projects," "anticipates," "estimates," "we believe," "could be" and other words of similar meaning, are forward-looking statements. In particular, information appearing under "Business," "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" includes forward-looking statements. These statements are based on management's expectations and assumptions and are subject to risks and uncertainties that may cause actual results to differ materially from those expressed. Factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include:

- the potential impact and effects of the Covid-19 pandemic ("Covid-19") on the business of Broadridge, Broadridge's results of operations and financial performance, any measures Broadridge has and may take in response to Covid-19 and any expectations Broadridge may have with respect thereto;
- the success of Broadridge in retaining and selling additional services to its existing clients and in obtaining new clients;
- Broadridge's reliance on a relatively small number of clients, the continued financial health of those clients, and the continued use by such clients of Broadridge's services with favorable pricing terms;
- a material security breach or cybersecurity attack affecting the information of Broadridge's clients;
- changes in laws and regulations affecting Broadridge's clients or the services provided by Broadridge;
- declines in participation and activity in the securities markets;
- the failure of Broadridge's key service providers to provide the anticipated levels of service;
- a disaster or other significant slowdown or failure of Broadridge's systems or error in the performance of Broadridge's services;
- overall market and economic conditions and their impact on the securities markets;
- Broadridge's failure to keep pace with changes in technology and demands of its clients;
- Broadridge's ability to attract and retain key personnel;
- the impact of new acquisitions and divestitures; and
- competitive conditions.

There may be other factors that may cause our actual results to differ materially from the forward-looking statements. Our actual results, performance or achievements could differ materially from those expressed in, or implied by, the forward-looking statements. We can give no assurances that any of the events anticipated by the forward-looking statements will occur or, if any of them do, what impact they will have on our results of operations and financial condition. You should carefully read the factors described in the "Risk Factors" section of this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K for the fiscal year ended June 30, 2021 which was filed with the United States of America ("U.S.") Securities and Exchange Commission (the "SEC") on August 12, 2021 (the "2021 Annual Report"), for a description of certain risks that could, among other things, cause our actual results to differ from these forward-looking statements.

All forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q and are expressly qualified in their entirety by the cautionary statements included in this Quarterly Report on Form 10-Q and the 2021 Annual Report. We disclaim any obligation to update or revise forward-looking statements that may be made to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events, other than as required by law.

PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

Broadridge Financial Solutions, Inc.

Condensed Consolidated Statements of Earnings
(In millions, except per share amounts)
(Unaudited)

		Three Months Ended September 30,	
		2021	2020
Revenues	(Note 3)	$ 1,192.9	$ 1,017.4
Operating expenses:			
Cost of revenues		914.1	787.1
Selling, general and administrative expenses		175.5	151.7
Total operating expenses		1,089.6	938.8
Operating income		103.3	78.6
Interest expense, net	(Note 5)	(22.6)	(14.4)
Other non-operating income (expenses), net		(2.4)	9.5
Earnings before income taxes		78.2	73.6
Provision for income taxes	(Note 13)	11.0	7.8
Net earnings		$ 67.2	$ 65.8
Basic earnings per share		$ 0.58	$ 0.57
Diluted earnings per share		$ 0.57	$ 0.56
Weighted-average shares outstanding:			
Basic	(Note 4)	116.2	115.3
Diluted	(Note 4)	118.3	117.4

Amounts may not sum due to rounding.

See Notes to Condensed Consolidated Financial Statements.

Broadridge Financial Solutions, Inc.

Condensed Consolidated Statements of Comprehensive Income
(In millions)
(Unaudited)

	Three Months Ended September 30,	
	2021	2020
Net earnings	$ 67.2	$ 65.8
Other comprehensive income (loss), net:		
Foreign currency translation adjustments	(70.8)	37.0
Pension and post-retirement liability adjustment, net of taxes of $(0.2) and $(0.2) for the three months ended September 30, 2021 and 2020, respectively	0.5	0.6
Cash flow hedge amortization, net of taxes of $(0.1) and $(0.0) for the three months ended September 30, 2021 and 2020, respectively	0.2	—
Total other comprehensive income (loss), net	(70.1)	37.6
Comprehensive income	$ (2.9)	$ 103.4

Amounts may not sum due to rounding.

See Notes to Condensed Consolidated Financial Statements.

Broadridge Financial Solutions, Inc.

Condensed Consolidated Balance Sheets
(In millions, except per share amounts)
(Unaudited)

		September 30, 2021	June 30, 2021
Assets			
Current assets:			
Cash and cash equivalents		$ 316.7	$ 274.5
Accounts receivable, net of allowance for doubtful accounts of $6.4 and $9.3, respectively		730.0	820.3
Other current assets		164.4	166.4
Total current assets		1,211.1	1,261.3
Property, plant and equipment, net		167.2	177.2
Goodwill		3,677.3	3,720.1
Intangible assets, net		1,346.2	1,425.0
Deferred client conversion and start-up costs		870.8	773.7
Other non-current assets	(Note 8)	755.7	762.5
Total assets		$ 8,028.4	$ 8,119.8
Liabilities and Stockholders' Equity			
Current liabilities:			
Payables and accrued expenses	(Note 9)	790.1	1,102.7
Contract liabilities		176.7	185.3
Total current liabilities		966.8	1,288.0
Long-term debt	(Note 10)	4,165.9	3,887.6
Deferred taxes		392.7	400.7
Contract liabilities		199.9	197.2
Other non-current liabilities	(Note 11)	549.2	537.2
Total liabilities		6,274.5	6,310.6
Commitments and contingencies	(Note 14)		
Stockholders' equity:			
Preferred stock: Authorized, 25.0 shares; issued and outstanding, none		—	—
Common stock, $0.01 par value: 650.0 shares authorized; 154.5 and 154.5 shares issued, respectively; and 116.3 and 116.1 shares outstanding, respectively		1.6	1.6
Additional paid-in capital		1,263.6	1,245.5
Retained earnings		2,576.6	2,583.8
Treasury stock, at cost: 38.1 and 38.3 shares, respectively		(2,027.0)	(2,030.9)
Accumulated other comprehensive income (loss)	(Note 15)	(60.9)	9.2
Total stockholders' equity		1,753.8	1,809.1
Total liabilities and stockholders' equity		$ 8,028.4	$ 8,119.8

Amounts may not sum due to rounding.

See Notes to Condensed Consolidated Financial Statements.

Broadridge Financial Solutions, Inc.
Condensed Consolidated Statements of Cash Flows
(In millions)
(Unaudited)

	Three Months Ended September 30,	
	2021	**2020**
Cash Flows From Operating Activities		
Net earnings	$ 67.2	$ 65.8
Adjustments to reconcile net earnings to net cash flows used in operating activities:		
Depreciation and amortization	20.4	15.4
Amortization of acquired intangibles and purchased intellectual property	68.7	32.3
Amortization of other assets	30.9	26.3
Write-down of long-lived assets and related charges	—	31.7
Stock-based compensation expense	13.6	10.4
Deferred income taxes	(3.0)	4.7
Other	0.9	(16.1)
Changes in operating assets and liabilities, net of assets and liabilities acquired:		
Current assets and liabilities:		
Decrease in Accounts receivable, net	96.6	101.1
Decrease (increase) in Other current assets	1.6	(22.2)
Decrease in Payables and accrued expenses	(324.7)	(220.6)
Decrease in Contract liabilities	(5.8)	(1.6)
Non-current assets and liabilities:		
Increase in other non-current assets	(119.8)	(94.6)
Increase in other non-current liabilities	18.1	23.2
Net cash flows used in operating activities	(135.4)	(44.2)
Cash Flows From Investing Activities		
Capital expenditures	(5.7)	(14.3)
Software purchases and capitalized internal use software	(10.2)	(9.7)
Proceeds from asset sales	—	18.0
Acquisitions, net of cash acquired	(13.3)	—
Other investing activities	(7.1)	(2.7)
Net cash flows used in investing activities	(36.4)	(8.7)
Cash Flows From Financing Activities		
Debt proceeds	380.0	530.0
Debt repayments	(100.0)	(550.0)
Dividends paid	(66.8)	(62.2)
Purchases of Treasury stock	—	(0.8)
Proceeds from exercise of stock options	8.7	21.1
Other financing activities	(4.9)	(10.9)
Net cash flows provided by (used in) financing activities	217.0	(72.7)
Effect of exchange rate changes on Cash and cash equivalents	(3.1)	5.5
Net change in Cash and cash equivalents	42.2	(120.0)
Cash and cash equivalents, beginning of period	274.5	476.6
Cash and cash equivalents, end of period	$ 316.7	$ 356.6
Supplemental disclosure of cash flow information:		
Cash payments made for interest	$ 4.8	$ 9.9
Cash payments made for income taxes, net of refunds	$ 45.6	$ 45.8
Non-cash investing and financing activities:		
Accrual of unpaid property, plant and equipment and software	$ 10.2	$ 6.4

Amounts may not sum due to rounding.

See Notes to Condensed Consolidated Financial Statements.

Broadridge Financial Solutions, Inc.

Condensed Consolidated Statements of Stockholders' Equity
(In millions, except per share amounts)
(Unaudited)

	Three Months Ended September 30, 2021						
	Common Stock		Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount					
Balances, June 30, 2021	154.5	$ 1.6	$ 1,245.5	$ 2,583.8	$ (2,030.9)	$ 9.2	$ 1,809.1
Comprehensive income (loss)	—	—	—	67.2	—	(70.1)	(2.9)
Stock option exercises	—	—	8.7	—	—	—	8.7
Stock-based compensation	—	—	13.4	—	—	—	13.4
Treasury stock acquired (0.0 shares)	—	—	—	—	—	—	—
Treasury stock reissued (0.2 shares)	—	—	(3.9)	—	3.9	—	—
Common stock dividends ($0.640 per share)	—	—	—	(74.4)	—	—	(74.4)
Balances, September 30, 2021	154.5	$ 1.6	$ 1,263.6	$ 2,576.6	$ (2,027.0)	$ (60.9)	$ 1,753.8

	Three Months Ended September 30, 2020						
	Common Stock		Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount					
Balances, June 30, 2020	154.5	$ 1.6	$ 1,178.5	$ 2,302.6	$ (2,035.7)	$ (100.4)	$ 1,346.5
Comprehensive income (loss)	—	—	—	65.8	—	37.6	103.4
Stock option exercises	—	—	20.7	—	—	—	20.7
Stock-based compensation	—	—	10.3	—	—	—	10.3
Treasury stock acquired (less than 0.1 shares)	—	—	—	—	(0.8)	—	(0.8)
Treasury stock reissued (0.5 shares)	—	—	(11.0)	—	11.0	—	—
Common stock dividends ($0.575 per share)	—	—	—	(66.4)	—	—	(66.4)
Balances, September 30, 2020	154.5	$ 1.6	$ 1,198.5	$ 2,302.1	$ (2,025.5)	$ (62.9)	$ 1,413.8

Amounts may not sum due to rounding.

See Notes to Condensed Consolidated Financial Statements.

Broadridge Financial Solutions, Inc.

Notes to Condensed Consolidated Financial Statements
(Unaudited)

NOTE 1. BASIS OF PRESENTATION

A. Description of Business. Broadridge Financial Solutions, Inc. ("Broadridge" or the "Company"), a Delaware corporation and a part of the S&P 500® Index, is a global financial technology leader providing investor communications and technology-driven solutions to banks, broker-dealers, asset and wealth managers and corporate issuers.

The Company operates in two reportable segments: Investor Communication Solutions ("ICS") and Global Technology and Operations ("GTO").

- **Investor Communication Solutions**—Broadridge provides the following governance and communications solutions through its Investor Communication Solutions business segment: Regulatory Solutions, Data-Driven Fund Solutions, Corporate Issuer Solutions, and Customer Communications Solutions.

  A large portion of Broadridge's ICS business involves the processing and distribution of proxy materials to investors in equity securities and mutual funds, as well as the facilitation of related vote processing. ProxyEdge® is Broadridge's innovative electronic proxy delivery and voting solution for institutional investors and financial advisors that helps ensure the voting participation of the largest stockholders of many companies. Broadridge has implemented digital applications to make voting easier for retail investors. Broadridge also provides the distribution of regulatory reports, class action and corporate action/reorganization event information, as well as tax reporting solutions that help its clients meet their regulatory compliance needs.

  For asset managers and retirement service providers, Broadridge offers data-driven solutions and an end-to-end platform for content management, composition, and omni-channel distribution of regulatory, marketing, and transactional information. Broadridge's data and analytics solutions provide investment product distribution data, analytical tools, insights, and research to enable asset managers to optimize product distribution across retail and institutional channels globally. Through Matrix Financial Solutions, Inc. ("Matrix"), Broadridge provides mutual fund trade processing services for retirement service providers, third-party administrators, financial advisors, banks and wealth management professionals.

  In addition, Broadridge provides public corporations and mutual funds with a full suite of solutions to help manage their annual meeting process, including registered and beneficial proxy materials distribution, proxy processing and tabulation services, digital voting solutions, proxy and shareholder report document management solutions, virtual shareholder meeting services and shareholder data services. Broadridge also offers financial reporting document composition and management solutions, SEC disclosure and filing services, and registrar, stock transfer and record-keeping services through Broadridge Corporate Issuer Solutions.

  We provide omni-channel customer communications solutions, which include print and digital solutions, to modernize technology infrastructures, simplify communications processes, accelerate digital adoption and improve the customer experience. Through one point of integration, the Broadridge Communications Cloud℠ platform (the "Communications Cloud") helps companies create, deliver, and manage their communications and customer engagement. The platform includes data-driven composition tools, identity and preference management, omni-channel optimization and digital communication experience, archive and information management, digital and print delivery, and analytics and reporting tools.

- **Global Technology and Operations** — Broadridge is a leading global provider of business solutions for capital markets, and wealth and investment management firms. Broadridge offers advanced solutions that automate firms' transaction lifecycle, from desktop productivity tools, data aggregation, performance reporting, and portfolio management to order capture and execution, trade confirmation, margin, cash management, clearance and settlement, asset servicing, reference data management, reconciliations, securities financing and collateral optimization, compliance and regulatory reporting, and portfolio accounting and custody-related services. In addition, Broadridge provides business process outsourcing services that support the entire trade lifecycle operations of its buy- and sell-side clients' businesses through a combination of its technology and operations expertise.

For capital markets firms, Broadridge helps its clients lower their costs and improve the effectiveness of their businesses across the front, middle and back office. Broadridge's core post-trade services help financial institutions efficiently and cost-effectively consolidate their books and records, gather and service assets under management and manage risk, thereby enabling them to focus on their core business activities. Provided on a software as a service ("SaaS") basis within large user communities, Broadridge's technology is a global solution, processing clearance and settlement in over 100 countries. Broadridge's multi-asset, multi-market, multi-entity and multi-currency solutions support real-time global trade processing of equity, fixed income, mutual fund, foreign exchange, and exchange-traded derivatives. With the recent acquisition of Itiviti Holding AB ("Itiviti"), Broadridge has strengthened its capabilities with a set of front-office trade order and execution management solutions, connectivity and network offerings which will integrate with its existing middle and back-office solutions.

Broadridge's comprehensive wealth management platform offers capabilities across the entire wealth management lifecycle and streamlines all aspects of wealth management services, including account management, fee management and client on-boarding. The wealth management platform enables full-service, regional and independent broker-dealers and investment advisors to better engage with customers through digital marketing and customer communications tools. Broadridge also integrates data, content and technology to drive new customer acquisition, support holistic and personalized advice and cross-sell opportunities through the creation of sales and educational content, including seminars as well as customizable advisor websites, search engine marketing and electronic and print newsletters. Broadridge's advisor solutions help advisors optimize their practice management through customer and account data aggregation and reporting.

Broadridge also offers buy-side technology solutions for the global investment management industry, including portfolio management, compliance and operational workflow solutions for hedge funds, family offices, alternative asset managers, traditional asset managers and the providers that service this space.

B. Consolidation and Basis of Presentation. The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in the U.S. and in accordance with SEC requirements for Quarterly Reports on Form 10-Q. These financial statements present the condensed consolidated position of the Company and include the entities in which the Company directly or indirectly has a controlling financial interest as well as various entities in which the Company has investments recorded under the equity method of accounting as well as certain marketable and non-marketable securities. Intercompany balances and transactions have been eliminated. Amounts presented may not sum due to rounding. The results of operations reported for interim periods are not necessarily indicative of the results of operations for the entire year or any subsequent interim period. These Condensed Consolidated Financial Statements should be read in conjunction with the Company's Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2021 filed on August 12, 2021 with the SEC. These Condensed Consolidated Financial Statements include all normal and recurring adjustments necessary for a fair presentation in accordance with GAAP of the Company's financial position at September 30, 2021 and June 30, 2021, the results of its operations for the three months ended September 30, 2021 and 2020, its cash flows for the three months ended September 30, 2021 and 2020, and its changes in stockholders' equity for the three months ended September 30, 2021 and 2020. Certain prior period amounts have been reclassified to conform to the current year presentation where applicable.

Beginning with the first quarter of fiscal year 2022, the Company revised the foreign exchange rates used to present segment revenues and segment earnings (loss) before income taxes to further allocate the foreign exchange impact to the individual segment revenue and profit metrics. The presentation of segment revenues and earnings (loss) before income taxes for the prior periods provided in this Form 10-Q has been changed to conform to the current period presentation. Total consolidated revenues and earnings before income taxes were not impacted. Please refer to Note 3, "Revenue Recognition" and Note 16, "Interim Financial Data by Segment."

C. Securities. Securities are non-derivatives that are reflected in Other non-current assets in the Condensed Consolidated Balance Sheets, unless management intends to dispose of the investment within twelve months of the end of the reporting period, in which case they are reflected in Other current assets in the Condensed Consolidated Balance Sheets. These investments are in entities over which the Company does not have control, joint control, or significant influence. Securities that have a readily determinable fair value are carried at fair value. Securities without a readily determinable fair value are initially recognized at cost and subsequently carried at cost minus impairment, if any, plus or minus changes resulting from observable price changes in transactions for an identical or similar investment of the same issuer, such as subsequent capital raising transactions. Changes in the value of securities with or without a readily determinable fair value are recorded in the Condensed Consolidated Statements of Earnings. In determining whether a security without a readily determinable fair value is impaired, management considers qualitative factors to identify an impairment including the financial condition and near-term prospects of the issuer.

D. Use of Estimates. The preparation of these financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the Condensed Consolidated Financial Statements and accompanying notes thereto. These estimates are based on management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other assumptions and judgment that are believed to be reasonable under the circumstances. Accordingly, actual results could differ from those estimates. The use of estimates in specific accounting policies is described further in the notes to the Condensed Consolidated Financial Statements, as appropriate.

NOTE 2. NEW ACCOUNTING PRONOUNCEMENTS

Recently Adopted Accounting Pronouncements

In August 2018, the FASB issued ASU No. 2018-15, "Intangibles - Goodwill and Other - Internal-Use Software: Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract" ("ASU No. 2018-15"), which aligns the requirements for capitalizing implementation costs incurred in a cloud computing hosting arrangement that is a service contract with the requirements under GAAP for capitalizing implementation costs incurred to develop or obtain internal-use software. ASU No. 2018-15 became effective for the Company beginning in the first quarter of fiscal year 2021. Entities are permitted to apply either a retrospective or prospective transition approach to adopt the guidance, for which the Company elected to adopt ASU No. 2018-15 on a prospective basis. The adoption of ASU No. 2018-15 did not have a material impact on the Company's Condensed Consolidated Financial Statements.

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments - Credit Losses" ("ASU No. 2016-13"), which prescribes an impairment model for most financial instruments based on expected losses rather than incurred losses. Under this model, an estimate of expected credit losses over the contractual life of the instrument is to be recorded as of the end of a reporting period as an allowance to offset the amortized cost basis, resulting in a net presentation of the amount expected to be collected on the financial instrument. The expected credit loss model incorporates historical collection experience and other factors, including those related to current market conditions and events. The Company monitors trade receivable balances and other related assets, and estimates the allowance for lifetime expected credit losses. ASU No. 2016-13 became effective for the Company in the first quarter of fiscal year 2021. For most instruments, entities must apply the standard using a cumulative-effect adjustment to retained earnings as of the beginning of the fiscal year of adoption. The adoption of ASU No. 2016-13 did not have a material impact on the Company's Condensed Consolidated Financial Statements.

NOTE 3. REVENUE RECOGNITION

ASU No. 2014-09, "Revenue from Contracts with Customers" ("ASU No. 2014-09") outlines a single comprehensive model to use in accounting for revenue arising from contracts with customers. The core principle is that an entity recognizes revenue to reflect the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Company's revenues from clients are primarily generated from fees for providing investor communications and technology-enabled services and solutions. Revenues are recognized for the two reportable segments as follows:

- **Investor Communication Solutions**—Revenues are generated primarily from processing and distributing investor communications and other related services as well as vote processing and tabulation. The Company typically enters into agreements with clients to provide services on a fee for service basis. Fees received for processing and distributing investor communications are generally variably priced and recognized as revenue over time as the Company provides the services to clients based on the number of units processed, which coincides with the pattern of value transfer to the client. Broadridge works directly with corporate issuers ("Issuers") and mutual funds to ensure that the account holders of the Company's bank and broker clients, who are also the shareholders of Issuers and mutual funds, receive the appropriate investor communications materials and the services are fulfilled in accordance with each Issuer's and mutual fund's requirements. Broadridge works directly with the Issuers and mutual funds to resolve any issues that may arise. As such, Issuers and mutual funds are viewed as the customer of the Company's services. As a result, revenues for distribution services as well as proxy materials fulfillment services are recorded in Revenue on a gross basis with corresponding costs including amounts remitted to the broker-dealers and banks (referred to as "Nominees") recorded in Cost of revenues. Fees for the Company's investor communications services arrangements are typically billed and paid on a monthly basis following the delivery of the services. The Company also offers certain hosted service arrangements that can be priced on a fixed and/or variable basis for which revenue is recognized over time as the Company satisfies its performance obligation by delivering services to the client on a monthly basis based on the number of transactions processed or units delivered, in the case of variable priced arrangements, or a fixed monthly fee in the case of fixed price arrangements, in each case which coincides with the pattern of value transfer to the client. These services may be billed in a variety of payment frequencies depending on the specific arrangement.

- **Global Technology and Operations—**Revenues are generated primarily from fees for trade processing and related services. Revenue is recognized over time as the Company satisfies its performance obligation by delivering services to the client. The Company's arrangements for processing and related services typically consist of an obligation to provide specific services to its clients on a when and if needed basis (a stand ready obligation) with revenue recognized from the satisfaction of the performance obligations on a monthly basis generally in the amount billable to the client. These services are generally provided under variable priced arrangements based on volume of service and can include minimum monthly usage fees. Client service agreements often include up-front consideration in addition to the recurring fee for trade processing. Up-front implementation fees, as well as certain enhancements to existing technology platforms, are deferred and recognized on a straight-line basis over the service term of the contract which corresponds to the timing of transfer of value to the client that commences after client acceptance when the processing term begins. In addition, revenue is also generated from the fulfillment of professional services engagements which are generally priced on a time and materials or fixed price basis, and are recognized as the services are provided to the client which corresponds to the timing of transfer of value to the client. Finally, the Company generally recognizes license revenues from software term licenses installed on clients' premises upon delivery and acceptance of the software license, assuming a contract is deemed to exist. Software term license revenue is not a significant portion of the Company's revenues.

The Company uses the following methods, inputs, and assumptions in determining amounts of revenue to recognize:

Transaction Price

The Company allocates transaction price to the individual performance obligations within a contract. If the contracted prices reflect the relative standalone selling prices for the individual performance obligations, no allocations are made. Otherwise, the Company uses the relative selling price method to allocate the transaction price, obtained from sources such as the observable price of a good or service when the Company sells that good or service separately in similar circumstances and to similar clients. If such evidence is unavailable, the Company uses the best estimate of the selling price, which includes various internal factors such as pricing strategy and market factors. A significant portion of the Company's performance obligations are generated from transactions with volume based fees and includes services that are delivered at the same time. The Company recognizes revenue related to these arrangements over time as the services are provided to the client. While many of the Company's contracts contain some component of variable consideration, the Company only recognizes variable consideration that is not expected to reverse. The Company allocates variable payments to distinct services in an overall contract when the variable payment relates specifically to that particular service and for which the variable payment reflects what the Company expects to receive in exchange for that particular service. As a result, the Company generally allocates and recognizes variable consideration in the period it has the contractual right to invoice the client.

As described above, our most significant performance obligations involve variable consideration which constitutes the majority of our revenue streams. The Company's variable consideration components meet the criteria in ASU No. 2014-09 for exclusion from disclosure of the remaining transaction price allocated to unsatisfied performance obligations as does any contracts with clients with an original duration of one year or less. The Company has contracts with clients that vary in length depending on the nature of the services and contractual terms negotiated with the client, and they generally extend over a multi-year period.

Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a client, are excluded from revenue. Distribution revenues associated with shipping and handling activities are accounted for as a fulfillment activity and recognized as the related services or products are transferred to the client. As a practical expedient, the Company does not adjust the transaction price for the effects of a significant financing component if, at contract inception, the period between client payment and the transfer of goods or services is expected to be one year or less.

Disaggregation of Revenue

The Company has presented below its revenue disaggregated by product line and by revenue type within each of its Investor Communication Solutions and Global Technology and Operations reportable segments.

Fee revenues in the Investor Communication Solutions segment are derived from both recurring and event-driven activity. In addition, the level of recurring and event-driven activity the Company processes directly impacts distribution revenues. While event-driven activity is highly repeatable, it may not recur on an annual basis. Event-driven fee revenues are based on the number of special events and corporate transactions the Company processes. Event-driven activity is impacted by financial market conditions and changes in regulatory compliance requirements, resulting in fluctuations in the timing and levels of event-driven fee revenues. Distribution revenues primarily include revenues related to the physical mailing and distribution of proxy materials, interim communications, transaction reporting, customer communications and fulfillment services, as well as Matrix administrative services.

In the second quarter of fiscal year 2021, the Company changed its presentation of disaggregated revenue by product line disclosures to reflect internal realignment of the Company's revenue reporting, specifically as it relates to recurring fee revenues. Presentation of disaggregated revenue by product line disclosures in prior periods have been changed to conform to the current period presentation.

	Three Months Ended September 30,	
	2021	2020
	(in millions)	
Investor Communication Solutions		
Regulatory	$ 165.5	$ 1
Data-driven fund solutions	83.3	
Issuer	20.6	
Customer communications	140.9	1
Total ICS Recurring fee revenues	410.3	3
Equity and other	27.6	
Mutual funds	48.8	
Total ICS Event-driven fee revenues	76.3	
Distribution revenues	366.9	3
Total ICS Revenues	$ 853.5	$ 7
Global Technology and Operations		
Capital markets	$ 209.4	$ 1
Wealth and investment management	131.2	1
Total GTO Recurring fee revenues	340.6	2
Foreign currency exchange	(1.2)	
Total Revenues	$ 1,192.9	$ 1,0
Revenues by Type		
Recurring fee revenues	$ 750.8	$ 6
Event-driven fee revenues	76.3	
Distribution revenues	366.9	3
Foreign currency exchange	(1.2)	
Total Revenues	$ 1,192.9	$ 1,0

Contract Balances

The following table provides information about contract assets and liabilities:

	September 30, 2021		June 30, 2021	
	(in millions)			
Contract assets	$	87.1	$	89.8
Contract liabilities	$	376.6	$	382.5

Contract assets result from revenue already recognized but not yet invoiced, including certain future amounts to be collected under software term licenses and certain other client contracts. Contract liabilities represent consideration received or receivable from clients before the transfer of control occurs (deferred revenue). Contract balances are reported in a net contract asset or liability position on a contract-by-contract basis at the end of each reporting period.

During the three months ended September 30, 2021, contract liabilities decreased due to the timing of client payments in relation to the timing of revenue recognized. The Company recognized $117.0 million of revenue during the three months ended September 30, 2021 that was included in the contract liability balance as of June 30, 2021.

NOTE 4. WEIGHTED-AVERAGE SHARES OUTSTANDING

Basic earnings per share ("EPS") is calculated by dividing the Company's Net earnings by the basic Weighted-average shares outstanding for the periods presented. The Company calculates diluted EPS using the treasury stock method, which reflects the potential dilution that could occur if outstanding stock options at the presented date are exercised and restricted stock unit awards have vested.

The computation of diluted EPS excluded 0.3 million options to purchase Broadridge common stock for the three months ended September 30, 2021, and less than 0.1 million options to purchase Broadridge common stock for the three months ended September 30, 2020, as the effect of their inclusion would have been anti-dilutive.

The following table sets forth the denominators of the basic and diluted EPS computations:

	Three Months Ended September 30,	
	2021	2020
	(in millions)	
Weighted-average shares outstanding:		
Basic	116.2	115.3
Common stock equivalents	2.1	2.1
Diluted	118.3	117.4

NOTE 5. INTEREST EXPENSE, NET

Interest expense, net consisted of the following:

	Three Months Ended September 30,			
	2021		2020	
	(in millions)			
Interest expense on borrowings	$	(23.0)	$	(15.0)
Interest income		0.3		0.6
Interest expense, net	$	(22.6)	$	(14.4)

NOTE 6. ACQUISITIONS

Assets acquired and liabilities assumed in business combinations are recorded on the Company’s Condensed Consolidated Balance Sheets as of the respective acquisition date based upon the estimated fair values at such date. The results of operations of the business acquired by the Company are included in the Company’s Condensed Consolidated Statements of Earnings since the respective date of acquisition. The excess of the purchase price over the estimated fair values of the underlying assets acquired and liabilities assumed is allocated to Goodwill.

During the three months ended September 30, 2021, there were no material acquisitions.

The Company is providing unaudited pro forma supplemental information for the acquisition of Itiviti as the acquisition was material to the Company’s operating results. Unaudited pro forma supplemental financial information for all acquisitions, excluding Itiviti, is not provided as the impact of these acquisitions on the Company’s operating results, financial position or cash flows was not material for any acquisition individually.

Fiscal Year 2021 Acquisitions:

BUSINESS COMBINATIONS

Financial information on each transaction is as follows:

	Itiviti	Advisor-Stream	Total
		(in millions)	
Cash payments, net of cash acquired	$ 2,580.4	$ 23.2	$ 2,603.6
Deferred payments, net	0.0	2.9	2.9
Contingent consideration liability	0.0	8.5	8.5
Aggregate purchase price	$ 2,580.4	$ 34.6	$ 2,615.0
Net tangible assets acquired / (liabilities assumed)	$ (256.8)	$ (3.3)	$ (260.0)
Goodwill	1,932.6	27.3	1,959.9
Intangible assets	904.6	10.5	915.1
Aggregate purchase price	$ 2,580.4	$ 34.6	$ 2,615.0

Itiviti

In May 2021, the Company acquired Itiviti, a leading provider of trading and connectivity technology to the capital markets industry. The acquisition of Itiviti extends the Company’s back-office capabilities into the front-office and deepens its multi-asset class solutions, better enabling the Company to help its clients adapt to a rapidly evolving marketplace. Itiviti is included in the Company’s GTO reportable segment.

- Goodwill is not tax deductible.
- Intangible assets acquired consist primarily of customer relationships and software technology, which are being amortized over a seven-year life and five-year life, respectively.

The allocation of the purchase price will be finalized upon completion of the analysis of the fair values of the acquired business’ assets and liabilities.

The following summarizes the allocation of purchase price for the Itiviti acquisition (in millions):

	Itiviti
Accounts receivable	$ 39.6
Other current assets	14.1
Property, plant and equipment	9.4
Intangible assets	904.6
Goodwill	1,932.6
Other non-current assets	28.7
Payables and accrued expenses	(45.8)
Current contract liabilities	(58.1)
Deferred taxes	(211.6)
Other long term liabilities	(33.2)
Consideration paid, net of cash acquired	$ 2,580.4

Unaudited Pro Forma Financial Information

The unaudited pro forma condensed consolidated results of operations in the table below are provided for illustrative purposes only and summarize the combined results of operations of Broadridge and Itiviti. For purposes of this pro forma presentation, the acquisition of Itiviti is assumed to have occurred on July 1, 2019. The pro forma financial information for all periods presented also includes the estimated business combination accounting effects resulting from this acquisition, notably amortization expense from the acquired intangible assets, interest expense from recent debt financing, the proceeds of which were used to fund the acquisition, and certain other integration related impacts.

This unaudited pro forma financial information should not be relied upon as being indicative of the historical results that would have been obtained if the acquisition had actually occurred on July 1, 2019, nor of the results of operations that may be obtained in the future.

	Years ended June 30,	
	2021	2020
	(in millions)	
Revenues	$ 5,221.7	$ 4,723.4
Net earnings	$ 514.9	$ 367.5
Basic earnings per share	$ 4.45	$ 3.21
Diluted earnings per share	$ 4.37	$ 3.14

AdvisorStream

In June 2021, the Company acquired AdvisorStream, a leading provider of digital engagement and marketing solutions for the global wealth and insurance industries. AdvisorStream's advisor marketing platform enables advisors to drive revenue and growth by providing personalized and consistent client communications. AdvisorStream is included in the Company’s GTO reportable segment.

- Goodwill is not tax deductible.
- Intangible assets acquired consist primarily of customer relationships and software technology, which are being amortized over a five-year life and five-year life, respectively.

The allocation of the purchase price will be finalized upon completion of the analysis of the fair values of the acquired business’ assets and liabilities.

NOTE 7. FAIR VALUE OF FINANCIAL INSTRUMENTS

Accounting guidance on fair value measurements for certain financial assets and liabilities requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1 Quoted market prices in active markets for identical assets and liabilities.

Level 2 Observable market-based inputs other than quoted prices in active markets for identical assets and liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

In valuing assets and liabilities, the Company is required to maximize the use of quoted market prices and minimize the use of unobservable inputs. The Company calculates the fair value of its Level 1 and Level 2 instruments, as applicable, based on the exchange traded price of similar or identical instruments where available or based on other observable instruments. These calculations take into consideration the credit risk of both the Company and its counterparties. The Company has not changed its valuation techniques in measuring the fair value of any financial assets and liabilities during the period.

The fair values of the contingent consideration obligations are based on a probability weighted approach derived from the estimates of earn-out criteria and the probability assessment with respect to the likelihood of achieving those criteria. The measurement is based on significant inputs that are not observable in the market, therefore, the Company classifies this liability as Level 3 in the table below.

The following tables set forth the Company’s financial assets and liabilities at September 30, 2021 and June 30, 2021, respectively, that are recorded at fair value, segregated by level within the fair value hierarchy:

	September 30, 2021			
	Level 1	Level 2	Level 3	Total
	(in millions)			
Assets:				
Cash and cash equivalents:				
Money market funds (a)	$ —	$ —	$ —	$ —
Other current assets:				
Securities	0.6	—	—	0.6
Derivative asset	—	—	—	—
Other non-current assets:				
Securities	127.6	—	—	127.6
Total assets as of September 30, 2021	$ 128.2	$ —	$ —	$ 128.2
Liabilities:				
Contingent consideration obligations	—	—	19.0	19.0
Derivative liability	—	—	—	—
Total liabilities as of September 30, 2021	$ —	$ —	$ 19.0	$ 19.0

	June 30, 2021			
	Level 1	Level 2	Level 3	Total
	(in millions)			
Assets:				
Cash and cash equivalents:				
Money market funds (a)	$ —	$ —	$ —	$ —
Other current assets:				
Securities	0.7	—	—	0.7
Other non-current assets:				
Securities	120.6	—	—	120.6
Total assets as of June 30, 2021	$ 121.2	$ —	$ —	$ 121.2
Liabilities:				
Contingent consideration obligations	—	—	23.2	23.2
Total liabilities as of June 30, 2021	$ —	$ —	$ 23.2	$ 23.2

(a) Money market funds include money market deposit account balances of zero and less than $0.1 million as of September 30, 2021 and June 30, 2021, respectively.

In addition, the Company has non-marketable securities with a carrying amount of $37.8 million and $37.5 million as of September 30, 2021 and June 30, 2021, respectively, that are classified as Level 2 financial assets and included as part of Other non-current assets on the Condensed Consolidated Balance Sheets.

The following table sets forth an analysis of changes during the three months ended September 30, 2021 and 2020, respectively, in Level 3 financial liabilities of the Company:

	Three Months Ended September 30,	
	2021	2020
	(in millions)	
Beginning balance	$ 23.2	$ 33.1
Net increase (decrease) in contingent consideration liability	1.1	—
Foreign currency impact on contingent consideration liability	(0.5)	1.4
Payments	(4.9)	(10.7)
Ending balance	$ 19.0	$ 23.7

Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments between levels. The Company’s policy is to record transfers between levels if any, as of the beginning of the fiscal year.

NOTE 8. OTHER NON-CURRENT ASSETS

Other non-current assets consisted of the following:

	September 30, 2021	June 30, 2021
	(in millions)	
ROU assets (a)	$ 255.2	$ 262.0
Long-term investments	203.3	194.0
Deferred sales commissions costs	105.0	108.6
Contract assets (b)	87.1	89.8
Long-term broker fees	46.9	48.7
Deferred data center costs (c)	21.9	24.3
Other	36.4	35.0
Total	$ 755.7	$ 762.5

(a) ROU assets represent the Company’s right to use an underlying asset for the lease term.

(b) Contract assets result from revenue already recognized but not yet invoiced, including certain future amounts to be collected under software term licenses and certain other client contracts.

(c) Represents deferred data center costs associated with the Company’s information technology services agreements, please refer to Note 14, “Contractual Commitments, Contingencies and Off-Balance Sheet Arrangements” for a further discussion.

The total amount of deferred client conversion and start-up costs and deferred sales commission costs amortized in Operating expenses during the three months ended September 30, 2021 and 2020, were $23.3 million and $18.7 million, respectively.

NOTE 9. PAYABLES AND ACCRUED EXPENSES

Payables and accrued expenses consisted of the following:

	September 30, 2021	June 30, 2021
	(in millions)	
Accounts payable	$ 156.9	$ 248.9
Employee compensation and benefits	178.7	343.7
Accrued broker fees	89.0	136.0
Accrued dividend payable	74.4	66.8
Business process outsourcing administration fees	69.6	66.1
Customer deposits	48.8	55.5
Operating lease liabilities	40.4	40.2
Accrued taxes	27.8	42.6
Other	104.3	102.9
Total	$ 790.1	$ 1,102.7

NOTE 10. BORROWINGS

Outstanding borrowings and available capacity under the Company's borrowing arrangements were as follows:

	Expiration Date	Principal amount outstanding at September 30, 2021	Carrying value at September 30, 2021	Carrying value at June 30, 2021	Unused Available Capacity	Fair Value at September 30, 2021
				(in millions)		
Long-term debt, excluding current portion						
Fiscal 2021 Revolving Credit Facility:						
U.S. dollar tranche	April 2026	$ 300.0	$ 300.0	$ 20.0	$ 800.0	$ 300.0
Multicurrency tranche	April 2026	91.4	91.4	94.4	308.6	91.4
Total Revolving Credit Facility		391.4	391.4	114.4	1,108.6	391.4
Fiscal 2021 Term Loans	May 2024	1,550.0	1,544.0	1,543.4	—	1,550.0
Fiscal 2016 Senior Notes	June 2026	500.0	496.9	496.7	—	545.9
Fiscal 2020 Senior Notes	December 2029	750.0	742.7	742.5	—	787.7
Fiscal 2021 Senior Notes	May 2031	1,000.0	990.8	990.6	—	1,019.3
Total Senior Notes		2,250.0	2,230.4	2,229.8	—	2,352.9
Total debt		$ 4,191.4	$ 4,165.9	$ 3,887.6	$ 1,108.6	$ 4,294.4

Future principal payments on the Company's outstanding debt are as follows:

Years ending June 30,	2022	2023	2024	2025	2026	Thereafter	Total
(in millions)	$ —	$ —	$ 1,550.0	$ —	$ 891.4	$ 1,750.0	$ 4,191.4

Fiscal 2021 Revolving Credit Facility: In April 2021, the Company entered into an amended and restated $1.5 billion five-year revolving credit facility (the "Fiscal 2021 Revolving Credit Facility"), which replaced the $1.5 billion five-year revolving credit facility entered into during March 2019 (the "Fiscal 2019 Revolving Credit Facility") (together the "Revolving Credit Facilities"). The Fiscal 2021 Revolving Credit Facility is comprised of a $1.1 billion U.S. dollar tranche and a $400.0 million multicurrency tranche.

The weighted-average interest rate on the Revolving Credit Facilities was 1.19% for the three months ended September 30, 2021 and 1.22% for the three months ended September 30, 2020. The fair value of the variable-rate Fiscal 2021 Revolving Credit Facility borrowings at September 30, 2021 approximates carrying value and has been classified as a Level 2 financial liability (as defined in Note 7, "Fair Value of Financial Instruments").

Under the Fiscal 2021 Revolving Credit Facility, revolving loans denominated in U.S. Dollars, Canadian Dollars, Euro, Yen, and Swedish Kronor initially bear interest at LIBOR, CDOR, EURIBOR, TIBOR and STIBOR, respectively, plus 1.015% per annum (subject to step-ups to 1.175% and step-downs to 0.805% based on ratings) and revolving loans denominated in Sterling initially bear interest at SONIA plus 1.0476% per annum (subject to step-ups to 1.2076% and step-downs to 0.8376% based on ratings). The Fiscal 2021 Revolving Credit Facility also has an annual facility fee equal to 11.0 basis points on the entire facility (subject to step-ups to 20.0 basis points and step-downs to 7.0 basis points based on ratings). The Company may voluntarily prepay, in whole or in part and without premium or penalty, borrowings under the Fiscal 2021 Revolving Credit Facility in accordance with individual drawn loan maturities. The Fiscal 2021 Revolving Credit Facility is subject to certain covenants, including a leverage ratio. At September 30, 2021, the Company is in compliance with all covenants of the Fiscal 2021 Revolving Credit Facility.

Fiscal 2021 Term Loans: In March 2021, the Company entered into a term credit agreement ("Term Credit Agreement") providing for term loan commitments in an aggregate principal amount of $2.55 billion, comprised of a $1.0 billion tranche ("Tranche 1") and a $1.55 billion tranche ("Tranche 2," together with Tranche 1, the "Fiscal 2021 Term Loans"). The Company borrowed the Fiscal 2021 Term Loans in May 2021 in order to finance the Itiviti acquisition. Once borrowed, amounts repaid or prepaid in respect of such Fiscal 2021 Term Loans may not be reborrowed. The Tranche 1 Loans was to mature on the date that is 18 months after the date on which the Fiscal 2021 Term Loans are borrowed (the "Funding Date"), but was repaid in full in May 2021 with proceeds from the Fiscal 2021 Senior Notes (as discussed further below). The Tranche 2 Loan will mature in May 2024 on the third anniversary of the Funding Date. The proceeds of the Fiscal 2021 Term Loans were used by the Company to solely finance the acquisition of Itiviti and pay certain fees and expenses in connection therewith. The Tranche 2 Loan bears interest at LIBOR plus 0.875% per annum (subject to step-ups to LIBOR plus 1.250% or a step-down to LIBOR plus 0.750% based on ratings).

The Company may voluntarily prepay, in whole or in part and without premium or penalty. In the event of receipt of cash proceeds by the Company or its subsidiaries from certain incurrences of indebtedness, certain equity issuances, and certain sales, transfers or other dispositions of assets, the Company will be required to prepay outstanding Loans, subject to certain limitations and qualifications as set forth in the Term Credit Agreement. The Term Credit Agreement is subject to certain covenants, including a leverage ratio. At September 30, 2021, the Company is in compliance with all covenants of the Fiscal 2021 Term Loans.

Fiscal 2016 Senior Notes: In June 2016, the Company completed an offering of $500.0 million in aggregate principal amount of senior notes (the "Fiscal 2016 Senior Notes"). The Fiscal 2016 Senior Notes will mature on June 27, 2026 and bear interest at a rate of 3.40% per annum. Interest on the Fiscal 2016 Senior Notes is payable semi-annually in arrears on June 27 and December 27 of each year. The Fiscal 2016 Senior Notes were issued at a price of 99.589% (effective yield to maturity of 3.449%). The indenture governing the Fiscal 2016 Senior Notes contains certain covenants including covenants restricting the Company's ability to create or incur liens securing indebtedness for borrowed money, to enter into certain sale-leaseback transactions, certain subsidiary indebtedness, and to engage in mergers or consolidations and transfer or lease all or substantially all of our assets. At September 30, 2021, the Company is in compliance with the covenants of the indenture governing the Fiscal 2016 Senior Notes. The indenture also contains covenants regarding the purchase of the Fiscal 2016 Senior Notes upon a change of control triggering event. The Company may redeem the Fiscal 2016 Senior Notes in whole or in part at any time before their maturity. The fair value of the fixed-rate Fiscal 2016 Senior Notes at September 30, 2021 and June 30, 2021 was $545.9 million and $549.0 million, respectively, based on quoted market prices and has been classified as a Level 1 financial liability (as defined in Note 7, "Fair Value of Financial Instruments").

Fiscal 2020 Senior Notes: In December 2019, the Company completed an offering of $750.0 million in aggregate principal amount of senior notes (the "Fiscal 2020 Senior Notes"). The Fiscal 2020 Senior Notes will mature on December 1, 2029 and bear interest at a rate of 2.90% per annum. Interest on the Fiscal 2020 Senior Notes is payable semi-annually in arrears on June 1 and December 1 of each year. The Fiscal 2020 Senior Notes were issued at a price of 99.717% (effective yield to maturity of 2.933%). The indenture governing the Fiscal 2020 Senior Notes contains certain covenants including covenants restricting the Company's ability to create or incur liens securing indebtedness for borrowed money, to enter into certain sale-leaseback transactions, certain subsidiary indebtedness, and to engage in mergers or consolidations and transfer or lease all or substantially all of our assets. At September 30, 2021, the Company is in compliance with the covenants of the indenture governing the Fiscal 2020 Senior Notes. The indenture also contains covenants regarding the purchase of the Fiscal 2020 Senior Notes upon a change of control triggering event. The Company may redeem the Fiscal 2020 Senior Notes in whole or in part at any time before their maturity. The fair value of the fixed-rate Fiscal 2020 Senior Notes at September 30, 2021 and June 30, 2021 was $787.7 million and $791.3 million, respectively, based on quoted market prices and has been classified as a Level 1 financial liability (as defined in Note 7, "Fair Value of Financial Instruments").

Fiscal 2021 Senior Notes: In May 2021, the Company completed an offering of $1.0 billion in aggregate principal amount of senior notes (the "Fiscal 2021 Senior Notes"). The Fiscal 2021 Senior Notes will mature on May 1, 2031 and bear interest at a rate of 2.60% per annum. Interest on the Fiscal 2021 Senior Notes is payable semi-annually in arrears on May 1 and November 1 of each year. The Fiscal 2021 Senior Notes were issued at a price of 99.957% (effective yield to maturity of 2.605%). The indenture governing the Fiscal 2021 Senior Notes contains certain covenants including covenants restricting the Company's ability to create or incur liens securing indebtedness for borrowed money, to enter into certain sale-leaseback transactions, certain subsidiary indebtedness, and to engage in mergers or consolidations and transfer or lease all or substantially all of our assets. At September 30, 2021, the Company is in compliance with the covenants of the indenture governing the Fiscal 2021 Senior Notes. The indenture also contains covenants regarding the purchase of the Fiscal 2021 Senior Notes upon a change of control triggering event. The Company may redeem the Fiscal 2021 Senior Notes in whole or in part at any time before their maturity. The fair value of the fixed-rate Fiscal 2021 Senior Notes at September 30, 2021 and June 30, 2021 was $1.02 billion and $1.02 billion, respectively, based on quoted market prices and has been classified as a Level 1 financial liability (as defined in Note 7, "Fair Value of Financial Instruments").

The Fiscal 2021 Revolving Credit Facility, Fiscal 2021 Term Loans, Fiscal 2016 Senior Notes, Fiscal 2020 Senior Notes and Fiscal 2021 Senior Notes are senior unsecured obligations of the Company and are ranked equally in right of payment.

In addition, certain of the Company's subsidiaries established unsecured, uncommitted lines of credit with banks. As of September 30, 2021 and June 30, 2021, respectively, there were no outstanding borrowings under these lines of credit.

NOTE 11. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities consisted of the following:

	September 30, 2021	June 30, 2021
	(in millions)	
Operating lease liabilities	$ 260.0	$ 263.1
Post-employment retirement obligations	172.2	162.8
Non-current income taxes	48.6	48.2
Acquisition related contingencies	16.0	15.1
Other	52.4	48.0
Total	$ 549.2	$ 537.2

The Company sponsors a Supplemental Officer Retirement Plan (the "Broadridge SORP"). The Broadridge SORP is a nonqualified ERISA defined benefit plan pursuant to which the Company will pay supplemental pension benefits to certain key officers upon retirement based upon the officers' years of service and compensation. The Broadridge SORP was closed to new participants beginning in fiscal year 2015. The Company also sponsors a Supplemental Executive Retirement Plan (the "Broadridge SERP"). The Broadridge SERP is also a nonqualified ERISA defined benefit plan pursuant to which the Company will pay supplemental pension benefits to certain key executives upon retirement based upon the executives' years of service and compensation. The Broadridge SERP was closed to new participants beginning in fiscal year 2015.

The SORP and SERP are effectively funded with assets held in a Rabbi Trust. The assets invested in the Rabbi Trust are to be used in part to fund benefit payments to participants under the terms of the plans. The Rabbi Trust is irrevocable and no portion of the trust funds may be used for any purpose other than the delivery of those assets to the participants, except that assets held in the Rabbi Trust would be subject to the claims of the Company's general creditors in the event of bankruptcy or insolvency of the Company. The Broadridge SORP and SERP are nonqualified plans for federal tax purposes and for purposes of Title I of ERISA. The Rabbi Trust assets had a value of $62.3 million at September 30, 2021 and $62.6 million at June 30, 2021 and are included in Other non-current assets in the accompanying Condensed Consolidated Balance Sheets. The SORP and the SERP had a total benefit obligation of $66.7 million at September 30, 2021 and $65.9 million at June 30, 2021 and are included in Other non-current liabilities in the accompanying Condensed Consolidated Balance Sheets.

NOTE 12. STOCK-BASED COMPENSATION

The activity related to the Company's incentive equity awards for the three months ended September 30, 2021 consisted of the following:

	Stock Options		Time-based Restricted Stock Units		Performance-based Restricted Stock Units	
	Number of Options	Weighted-Average Exercise Price	Number of Shares	Weighted-Average Grant Date Fair Value	Number of Shares	Weighted-Average Grant Date Fair Value
Balances at June 30, 2021	3,203,682	$ 88.33	761,337	$ 117.07	247,580	$ 126.29
Granted	—	—	49,167	172.25	—	—
Exercise of stock options (a)	(169,792)	51.36	—	—	—	—
Vesting of restricted stock units	—	—	—	—	—	—
Expired/forfeited	(11,374)	111.47	(12,128)	127.62	(23,731)	78.58
Balances at September 30, 2021 (b),(c)	3,022,516	$ 90.32	798,376	$ 120.31	223,849	$ 131.34

(a) Stock options exercised during the period of July 1, 2021 through September 30, 2021 had an aggregate intrinsic value of $20.3 million.

(b) As of September 30, 2021, the Company's outstanding vested and currently exercisable stock options using the September 30, 2021 closing stock price of $166.64 (approximately 1.6 million shares) had an aggregate intrinsic value of $150.2 million with a weighted-average exercise price of $70.95 and a weighted-average remaining contractual life of 5.0 years. The total of all stock options outstanding as of September 30, 2021 have a weighted-average remaining contractual life of 6.2 years.

(c) As of September 30, 2021, time-based restricted stock units and performance-based restricted stock units expected to vest using the September 30, 2021 closing stock price of $166.64 (approximately 0.8 million and 0.2 million shares, respectively) had an aggregate intrinsic value of $127.3 million and $35.3 million, respectively. Performance-based restricted stock units granted in the table above represent initial target awards, and performance adjustments for (i) change in shares issued based upon attainment of performance goals determined in the period, and (ii) estimated change in shares issued resulting from attainment of performance goals to be determined at the end of the prospective performance period.

The Company has stock-based compensation plans under which the Company annually grants stock option and restricted stock unit awards. Stock options are granted to employees at exercise prices equal to the fair market value of the Company's common stock on the dates of grant, with the measurement of stock-based compensation expense recognized in Net earnings based on the fair value of the award on the date of grant. Stock-based compensation expense of $13.6 million and $10.4 million, as well as related expected tax benefits of $3.1 million and $2.3 million were recognized for the three months ended September 30, 2021 and 2020, respectively.

As of September 30, 2021, the total remaining unrecognized compensation cost related to non-vested stock options and restricted stock unit awards amounted to $9.8 million and $50.2 million, respectively, which will be amortized over the weighted-average remaining requisite service periods of 1.7 years and 1.4 years, respectively.

For stock options granted, the fair value of each stock option was estimated on the date of grant using a binomial option pricing model. The binomial model considers a range of assumptions related to volatility, risk-free interest rate and employee exercise behavior. Expected volatilities utilized in the binomial model are based on a combination of implied market volatilities, historical volatility of the Company's stock price and other factors. Similarly, the dividend yield is based on historical experience and expected future changes. The risk-free rate is derived from the U.S. Treasury yield curve in effect at the time of grant. The binomial model also incorporates exercise and forfeiture assumptions based on an analysis of historical data. The expected life of the stock option grants is derived from the output of the binomial model and represents the period of time that options granted are expected to be outstanding.

NOTE 13. INCOME TAXES

	Three Months Ended September 30,	
	2021	2020
	(in millions)	
Provision for income taxes	$ 11.0	$ 7.8
Effective tax rate	14.1 %	10.6 %
Excess tax benefits	$ 4.3	$ 9.3

The increase in the effective tax rate for the three months ended September 30, 2021 was driven by lower total discrete tax items, inclusive of the excess tax benefits related to equity compensation, compared to the prior year period.

NOTE 14. CONTRACTUAL COMMITMENTS, CONTINGENCIES AND OFF-BALANCE SHEET ARRANGEMENTS

Data Center Agreements

In March 2010, the Company and International Business Machines Corporation (“IBM”) entered into an Information Technology Services Agreement (the “IT Services Agreement”), under which IBM provided certain aspects of the Company’s information technology infrastructure. Under the IT Services Agreement, IBM provided a broad range of technology services to the Company including supporting its mainframe, midrange, network and data center operations, as well as providing disaster recovery services. The migration of data center processing to IBM was completed in August 2012. The IT Services Agreement would have expired on June 30, 2022, but a two-year extension was signed in March 2015, amending the expiration date to June 30, 2024. In December 2019, the Company and IBM amended and restated the IT Services Agreement (the “Amended IT Services Agreement”), which now expires on June 30, 2027. The Company has the option of incorporating additional services into the Amended IT Services Agreement over time. The Company may renew the term of the Amended IT Services Agreement for up to one additional 12-month period. On July 28, 2021, the Company entered into a novation agreement with IBM (the “U.S. Novation Agreement”) pursuant to which IBM novated the Amended IT Services Agreement to Kyndryl, Inc., an entity formed in connection with IBM’s planned spin-off of its managed infrastructure services business (“Kyndryl”), effective September 1, 2021. Fixed minimum commitments remaining under the Amended IT Services Agreement at September 30, 2021 are $189.3 million through fiscal year 2027, the final year of the Amended IT Services Agreement.

In December 2019, the Company and IBM entered into an information technology agreement for private cloud services (the “Private Cloud Agreement”) under which IBM will operate, manage and support the Company’s private cloud global distributed platforms and products, and operate and manage certain Company networks. The Private Cloud Agreement has an initial term of approximately 10 years and three months, expiring on March 31, 2030. As a result of the Private Cloud Agreement, the Company transferred certain of its employees in April 2020 to IBM and its affiliates, and such transferred employees are expected to continue providing services to the Company on behalf of IBM under the Private Cloud Agreement. Pursuant to the Private Cloud Agreement, the Company agreed to transfer the ownership of certain Company-owned hardware (the “Hardware”) located at Company facilities worldwide to IBM. The transfer of the Hardware and Maintenance Contracts to IBM closed on September 30, 2020 for a selling price of $18.0 million. On July 28, 2021, IBM novated the Private Cloud Agreement to Kyndryl, effective September 1, 2021, pursuant to the U.S. Novation Agreement. Fixed minimum commitments remaining under the Private Cloud Agreement at September 30, 2021 are $192.3 million through March 31, 2030, the final year of the contract.

In March 2014, the Company and IBM United Kingdom Limited (“IBM UK”) entered into an Information Technology Services Agreement (the “EU IT Services Agreement”), under which IBM UK provides data center services supporting the Company’s technology outsourcing services for certain clients in Europe and Asia. The EU IT Services Agreement would have expired in October 2023. In December 2019, the Company amended the existing EU IT Services Agreement whereby the Company will migrate from the existing dedicated on-premises solution to a managed Broadridge private cloud environment provided by IBM, as well as extended the term of the EU IT Services Agreement to June 2029 (the “Amended EU IT Services Agreement”). The Company has the right to renew the term of the Amended EU IT Services Agreement for up to one additional 12-month period or one additional 24-month period. On August 19, 2021, the Company entered into a novation agreement with IBM UK pursuant to which IBM UK novated the EU IT Services Agreement to Kyndryl UK Limited, effective September 1, 2021. Fixed minimum commitments remaining under the Amended EU IT Services Agreement at September 30, 2021 are $29.5 million through fiscal year 2029, the final year of the contract.

Investments

The Company has an equity method investment that is a variable interest in a variable interest entity, the Company is not the primary beneficiary and therefore does not consolidate the investee. The Company’s potential maximum loss exposure related to this unconsolidated investment totaled $31.3 million as of September 30, 2021, which represents the carrying value of the Company's investment and is recorded in Other non-current assets in the Company’s Condensed Consolidated Balance Sheets.

In addition, as of September 30, 2021, the Company also has a future commitment to fund $1.7 million to one of the Company’s other investees.

Software License Agreements

The Company has incurred the following expenses under software license agreements:

	Three Months Ended September 30,	
	2021	2020
	(in millions)	
Software License Agreements	$ 30.9	$ 18.2

Fixed Operating Lease Cost

Fixed operating lease cost for the three months ending September 30, 2021 and September 30, 2020 are as follows:

	Three Months Ended September 30,	
	2021	2020
	(in millions)	
Fixed Operating Lease Cost	$ 11.3	$ 24.4

Other

It is not the Company's business practice to enter into off-balance sheet arrangements. However, the Company is exposed to market risk from changes in foreign currency exchange rates that could impact its financial position, results of operations, and cash flows. The Company manages its exposure to these market risks through its regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. The Company was not a party to any outstanding derivative financial instruments at September 30, 2021 and June 30, 2021. In March 2021, the Company entered into a derivative instrument designed to mitigate the Company's exposure to the impact of changes in interest rates on the Fiscal 2021 Senior Notes.

The Company executed a forward treasury lock agreement ("Treasury Lock"), designated as a cash flow hedge, in the aggregate notional amount of $1.0 billion to manage exposure to fluctuations in the benchmark interest rate associated with the Fiscal 2021 Senior Notes, which were used to pay down a portion of the Term Credit Agreement associated with the Itiviti acquisition. Accordingly, changes in the fair value of the Treasury Lock were recorded as part of Other comprehensive income (loss), net each period up to when the Treasury Lock was settled. In May 2021, the Treasury Lock was settled for a pre-tax loss of $11.0 million, after which the final settlement loss will be reclassified into Interest expense, net ratably over the ten year term of the Fiscal 2021 Senior Notes. The expected amount of the existing loss that would be reclassified into earnings before income taxes within the next twelve months is approximately $1.1 million.

In the normal course of business, the Company is subject to various claims and litigation. While the outcome of any claim or litigation is inherently unpredictable, the Company believes that the ultimate resolution of these matters will not, individually or in the aggregate, result in a material impact on its financial condition, results of operations or cash flows.

In the normal course of business, the Company also enters into contracts in which it makes representations and warranties that relate to the performance of the Company's products and services. The Company does not expect any material losses related to such representations and warranties, or collateral arrangements.

The Company's business process outsourcing and mutual fund processing services are performed by Broadridge Business Process Outsourcing, LLC ("BBPO"), an indirect subsidiary, which is a broker-dealer registered with the SEC and a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"). Although BBPO's FINRA membership agreement allows it to engage in clearing and the retailing of corporate securities in addition to mutual fund retailing on a wire order basis, BBPO does not clear customer transactions, process any retail business or carry customer accounts. As a registered broker-dealer and member of FINRA, BBPO is subject to the Uniform Net Capital Rule 15c3-1 of the Securities Exchange Act of 1934, as amended, which requires BBPO to maintain a minimum net capital amount. At September 30, 2021, BBPO was in compliance with this net capital requirement.

BBPO, as a "Managing Clearing Member" of the Options Clearing Corporation (the "OCC"), is also subject to OCC Rule 309(b) with respect to the business process outsourcing services that it provides to other OCC "Managed Clearing Member" broker-dealers. OCC Rule 309(b) requires BBPO to maintain a minimum net capital amount. At September 30, 2021, BBPO was in compliance with this net capital requirement.

In addition, Matrix Trust Company, a subsidiary of the Company, is a Colorado State non-depository trust company and National Securities Clearing Corporation trust member, whose primary business is to provide cash agent, custodial and directed trustee services to institutional customers, and investment management services to collective investment trust funds. As a result, Matrix Trust Company is subject to various regulatory capital requirements administered by the Colorado Division of Banking and the Arizona Department of Financial Institutions, as well as the National Securities Clearing Corporation. Specific capital requirements that involve quantitative measures of assets, liabilities, and certain off-balance sheet items, when applicable, must be met. At September 30, 2021, Matrix Trust Company was in compliance with its capital requirements.

NOTE 15. CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME/(LOSS) BY COMPONENT

The following tables summarize the changes in the accumulated balances for each component of accumulated other comprehensive income/(loss) for the three months ended September 30, 2021, and 2020, respectively:

	Foreign Currency Translation	Pension and Post-Retirement Liabilities	Cash Flow Hedge	Total
		(in millions)		
Balances at June 30, 2021	$ 32.9	$ (15.4)	$ (8.2)	$ 9.2
Other comprehensive income/(loss) before reclassifications	(70.8)	—	—	(70.8)
Amounts reclassified from accumulated other comprehensive income/(loss)	—	0.5	0.2	0.7
Balances at September 30, 2021	$ (37.9)	$ (14.9)	$ (8.1)	$ (60.9)

	Foreign Currency Translation	Pension and Post-Retirement Liabilities	Cash Flow Hedge	Total
		(in millions)		
Balances at June 30, 2020	$ (84.7)	$ (15.7)	$ —	$ (100.4)
Other comprehensive income/(loss) before reclassifications	37.0	—	—	37.0
Amounts reclassified from accumulated other comprehensive income/(loss)	—	0.6	—	0.6
Balances at September 30, 2020	$ (47.7)	$ (15.1)	$ —	$ (62.9)

NOTE 16. INTERIM FINANCIAL DATA BY SEGMENT

The Company operates in two reportable segments: Investor Communication Solutions and Global Technology and Operations. See Note 1, “Basis of Presentation” for a further description of the Company’s reportable segments.

The primary components of “Other” are certain gains, losses, corporate overhead expenses and non-operating expenses that have not been allocated to the reportable segments, such as interest expense. Foreign currency exchange is a reconciling item between the actual foreign currency exchange rates and the constant foreign currency exchange rates used for internal management reporting.

Certain corporate expenses, as well as certain centrally managed expenses, are allocated based upon budgeted amounts in a reasonable manner. Because the Company compensates the management of its various businesses on, among other factors, segment profit, the Company may elect to record certain segment-related operating and non-operating expense items in Other rather than reflect such items in segment profit.

Segment results:

	Revenues	
	Three Months Ended September 30,	
	2021	2020
	(in millions)	
Investor Communication Solutions	$ 853.5	$ 745.6
Global Technology and Operations	340.6	280.4
Foreign currency exchange	(1.2)	(8.6)
Total	$ 1,192.9	$ 1,017.4

	Earnings (Loss) before Income Taxes	
	Three Months Ended September 30,	
	2021	2020
	(in millions)	
Investor Communication Solutions	$ 82.4	$ 52.4
Global Technology and Operations	18.7	69.9
Other	(21.5)	(45.9)
Foreign currency exchange	(1.4)	(2.8)
Total	$ 78.2	$ 73.6

The amount of amortization of acquired intangibles and purchased intellectual property by segment is as follows:

	Three Months Ended September 30,	
	2021	2020
	(in millions)	
Investor Communication Solutions	$ 20.9	$ 22.2
Global Technology and Operations	48.4	10.7
Other	—	0.4
Foreign currency exchange	(0.6)	(1.0)
Total	$ 68.7	$ 32.3

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our Condensed Consolidated Financial Statements and accompanying Notes thereto included elsewhere herein.

Overview

Broadridge, a Delaware corporation and a part of the S&P 500® Index, is a global financial technology leader providing investor communications and technology-driven solutions to banks, broker-dealers, asset and wealth managers and corporate issuers. With over 50 years of experience, including over 10 years as an independent public company, we provide financial services firms with advanced, dependable, scalable and cost-effective integrated solutions and an important infrastructure that powers the financial services industry. Our solutions enable better financial lives by powering investing, governance and communications and help reduce the need for our clients to make significant capital investments in operations infrastructure, thereby allowing them to increase their focus on core business activities.

We operate our business in two reportable segments: Investor Communication Solutions and Global Technology and Operations.

Investor Communication Solutions

We provide the following governance and communications solutions through our Investor Communication Solutions business segment: Regulatory Solutions, Data-Driven Fund Solutions, Corporate Issuer Solutions, and Customer Communications Solutions.

A large portion of our Investor Communication Solutions business involves the processing and distribution of proxy materials to investors in equity securities and mutual funds, as well as the facilitation of related vote processing. ProxyEdge® is our innovative electronic proxy delivery and voting solution for institutional investors and financial advisors that helps ensure the voting participation of the largest stockholders of many companies. We have implemented digital applications to make voting easier for retail investors. We also provide the distribution of regulatory reports, class action and corporate action/reorganization event information, as well as tax reporting solutions that help our clients meet their regulatory compliance needs.

For asset managers and retirement service providers, we offer data-driven solutions and an end-to-end platform for content management, composition, and omni-channel distribution of regulatory, marketing, and transactional information. Our data and analytics solutions provide investment product distribution data, analytical tools, insights, and research to enable asset managers to optimize product distribution across retail and institutional channels globally. Through Matrix Financial Solutions, Inc. ("Matrix"), we provide mutual fund trade processing services for retirement service providers, third-party administrators, financial advisors, banks and wealth management professionals.

In addition, we provide public corporations and mutual funds with a full suite of solutions to help manage their annual meeting process, including registered and beneficial proxy materials distribution, proxy processing and tabulation services, digital voting solutions, proxy and shareholder report document management solutions, virtual shareholder meeting services, and shareholder data services. We also offer financial reporting document composition and management solutions, SEC disclosure and filing services, and registrar, stock transfer and record-keeping services through Broadridge Corporate Issuer Solutions.

We provide omni-channel customer communications solutions, which include print and digital solutions, to modernize technology infrastructures, simplify communications processes, accelerate digital adoption and improve the customer experience. Through one point of integration, the Broadridge Communications Cloud℠ platform (the "Communications Cloud") helps companies create, deliver, and manage their communications and customer engagement. The platform includes data-driven composition tools, identity and preference management, omni-channel optimization and digital communication experience, archive and information management, digital and print delivery, and analytics and reporting tools.

Global Technology and Operations

We are a leading global provider of business solutions for capital markets and wealth and investment management firms. We offer advanced solutions that automate firms' transaction lifecycle, from desktop productivity tools, data aggregation, performance reporting, and portfolio management to order capture and execution, trade confirmation, margin, cash management, clearance and settlement, asset servicing, reference data management, reconciliations, securities financing and collateral optimization, compliance and regulatory reporting, and portfolio accounting and custody-related services. In addition, we provide business process outsourcing services ("BPO") that support the entire trade lifecycle operations of our buy- and sell-side clients' businesses through a combination of our technology and our operations expertise.

For capital markets firms, we help our clients lower their costs and improve the effectiveness of their businesses across the front, middle and back office. Our core post-trade services help financial institutions efficiently and cost-effectively consolidate their books and records, gather and service assets under management and manage risk, thereby enabling them to focus on their core business activities. Provided on a software as a service ("SaaS") basis within large user communities, our technology is a global solution, processing clearance and settlement in over 100 countries. Our multi-asset, multi-market, multi-entity and multi-currency solutions support real-time global trade processing of equity, fixed income, mutual fund, foreign exchange, and exchange-traded derivatives. With the recent acquisition of Itiviti Holding AB ("Itiviti"), we have strengthened our capabilities with a set of front-office trade order and execution management solutions, connectivity and network offerings which will integrate with our existing middle and back-office solutions.

Our comprehensive wealth management platform offers capabilities across the entire wealth management lifecycle and streamlines all aspects of wealth management services, including account management, fee management and client on-boarding. The wealth management platform enables full-service, regional and independent broker-dealers and investment advisors to better engage with customers through digital marketing and customer communications tools. We also integrate data, content and technology to drive new customer acquisition, support holistic and personalized advice and cross-sell opportunities through the creation of sales and educational content, including seminars as well as customizable advisor websites, search engine marketing and electronic and print newsletters. Our advisor solutions help advisors optimize their practice management through customer and account data aggregation and reporting.

We also offer buy-side technology solutions for the global investment management industry, including portfolio management, compliance and operational workflow solutions for hedge funds, family offices, alternative asset managers, traditional asset managers and the providers that service this space.

Consolidation and Basis of Presentation

The Condensed Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in the United States of America ("U.S."). These Condensed Consolidated Financial Statements present the condensed consolidated position of the Company and include the entities in which the Company directly or indirectly has a controlling financial interest as well as various entities in which the Company has investments recorded under the equity method of accounting as well as certain marketable and non-marketable securities. Intercompany balances and transactions have been eliminated. Amounts presented may not sum due to rounding.

Beginning with the first quarter of fiscal year 2022, the Company revised the foreign exchange rates used to present segment revenues, segment earnings (loss) before income taxes, and Closed sales, to further allocate the foreign exchange impact to the individual segment revenue and profit metrics. The presentation of segment revenues and earnings (loss) before income taxes for the prior periods provided has been changed to conform to the current period presentation. Total consolidated revenues and earnings before income taxes were not impacted.

The results of operations reported for interim periods are not necessarily indicative of the results of operations for the entire year or any subsequent interim period. These Condensed Consolidated Financial Statements should be read in conjunction with the Company's Consolidated Financial Statements for the fiscal year ended June 30, 2021 in the 2021 Annual Report.

Critical Accounting Policies

In presenting the Condensed Consolidated Financial Statements, management makes estimates and assumptions that affect the amounts reported and related disclosures. Management continually evaluates the accounting policies and estimates used to prepare the Condensed Consolidated Financial Statements. The estimates, by their nature, are based on judgment, available information, and historical experience and are believed to be reasonable. However, actual amounts and results could differ from these estimates made by management. In management's opinion, the Condensed Consolidated Financial Statements contain all normal recurring adjustments necessary for a fair presentation of results reported. The results of operations reported for the periods presented are not necessarily indicative of the results of operations for subsequent periods. Certain accounting policies that require significant management estimates and are deemed critical to our results of operations or financial position are discussed in the "Critical Accounting Policies" section of Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the 2021 Annual Report.

KEY PERFORMANCE INDICATORS

Management focuses on a variety of key indicators to plan, measure and evaluate the Company's business and financial performance. These performance indicators include Revenue and Recurring fee revenue as well as not generally accepted accounting principles measures ("Non-GAAP") of Adjusted Operating income, Adjusted Net earnings, Adjusted earnings per share, Free Cash flow, and Closed sales. In addition, management focuses on select operating metrics specific to Broadridge of Record Growth and Internal Trade Growth, as defined below.

Refer to the section "Explanation and Reconciliation of the Company's Use of Non-GAAP Financial Measures" for a reconciliation of Adjusted Operating income, Adjusted Net earnings, Adjusted earnings per share, and Free Cash flow to the most directly comparable GAAP measures, and an explanation for why these Non-GAAP metrics provide useful information to investors and how management uses these Non-GAAP metrics for operational and financial decision-making. Refer to the section "Results of Operations" for a description of Closed sales and an explanation of why Closed sales is a useful performance metric for management and investors.

Revenues

Revenues are primarily generated from fees for processing and distributing investor communications and fees for technology-enabled services and solutions. The Company monitors revenue in each of our two reportable segments as a key measure of success in addressing our clients' needs. Fee revenues are derived from both recurring and event-driven activity. The level of recurring and event-driven activity the Company processes directly impacts distribution revenues. While event-driven activity is highly repeatable, it may not recur on an annual basis. Event-driven fee revenues are based on the number of special events and corporate transactions the Company processes. Event-driven activity is impacted by financial market conditions and changes in regulatory compliance requirements, resulting in fluctuations in the timing and levels of event-driven fee revenues. Distribution revenues primarily include revenues related to the physical mailing of proxy materials, interim communications, transaction reporting, customer communications and fulfillment services as well as Matrix administrative services.

Recurring fee revenue growth represents the Company's total annual fee revenue growth, less growth from event-driven fee revenues. We distinguish recurring fee revenue growth between organic and acquired:

- Organic – We define organic revenue as the recurring fee revenue generated from Net New Business and internal growth.
- Acquired – We define acquired revenue as the recurring fee revenue generated from acquired services in the first twelve months following the date of acquisition. This type of growth comes as a result of our strategy to purchase, integrate, and leverage the value of assets we acquire.

Revenues and Recurring fee revenue are useful metrics for investors in understanding how management measures and evaluates the Company's ongoing operational performance. See "Results of Operations" as well as Note 3, "Revenue Recognition" to our Condensed Consolidated Financial Statements in this Form 10-Q.

Record Growth and Internal Trade Growth

The Company uses select operating metrics specific to Broadridge of Record Growth and Internal Trade Growth in evaluating its business results and identifying trends affecting its business. Record Growth is defined as stock record growth and interim record growth which measure the estimated annual change in total positions eligible for equity proxy materials and mutual fund and exchange traded fund interim communications, respectively, for equities and mutual fund position data reported to Broadridge in both the current and prior year periods. Internal Trade Growth represents the estimated change in trade volumes for Broadridge securities processing clients whose contracts are linked to trade volumes and who were on Broadridge’s trading platforms in both the current and prior year periods. Record Growth and Internal Trade Growth are useful non-financial metrics for investors in understanding how management measures and evaluates Broadridge’s ongoing operational performance within its Investor Communication Solutions and Global Technology and Operations reportable segments, respectively.

The key performance indicators for the three months ended September 30, 2021, and 2020, are as follows:

	Select Operating Metrics	
	Three Months Ended September 30,	
	2021	2020
Record Growth		
Equity proxy	39 %	16 %
Mutual fund interims	9 %	6 %
Internal Trade Growth	2 %	12 %

Results of Operations

The following discussions of Analysis of Condensed Consolidated Statements of Earnings and Analysis of Reportable Segments refer to the three months ended September 30, 2021 compared to the three months ended September 30, 2020. The Analysis of Condensed Consolidated Statements of Earnings should be read in conjunction with the Analysis of Reportable Segments, which provides a more detailed discussion concerning certain components of the Condensed Consolidated Statements of Earnings.

The following references are utilized in the discussions of Analysis of Condensed Consolidated Statements of Earnings and Analysis of Reportable Segments:

“Amortization of Acquired Intangibles and Purchased Intellectual Property” and “Acquisition and Integration Costs” represent certain non-cash amortization expenses associated with acquired intangible assets and purchased intellectual property assets, as well as certain transaction and integration costs associated with the Company’s acquisition activities, respectively.

“Real Estate Realignment and Covid-19 Related Expenses” represent costs associated with the Company's real estate realignment initiative, including lease exit and impairment charges and other facility exit costs, as well as certain expenses associated with the Covid-19 pandemic.

“Investment Gain” represents a non-operating, non-cash gain on a privately held investment.

“Software Charge” represents a charge related to an internal use software product that is no longer expected to be used.

“Net New Business” refers to recurring revenue from Closed sales less recurring revenue from client losses.

The following definitions describe the Company’s Revenues:

Fee revenues in the Investor Communication Solutions segment are derived from both recurring and event-driven activity. In addition, the level of recurring and event-driven activity we process directly impacts distribution revenues. While event-driven activity is highly repeatable, it may not recur on an annual basis. The types of services we provide that comprise event-driven activity are:

- Mutual Fund Proxy: The proxy and related services we provide to mutual funds when certain events occur requiring a shareholder vote including changes in directors, sub-advisors, fee structures, investment restrictions, and mergers of funds.

- Mutual Fund Communications: Mutual fund communications services consist primarily of the distribution on behalf of mutual funds of supplemental information required to be provided to the annual mutual fund prospectus as a result of certain triggering events such as a change in portfolio managers. In addition, mutual fund communications consist of notices and marketing materials such as newsletters.
- Equity Proxy Contests and Specials, Corporate Actions, and Other: The proxy services we provide in connection with shareholder meetings driven by special events such as proxy contests, mergers and acquisitions, and tender/exchange offers.

Event-driven fee revenues are based on the number of special events and corporate transactions we process. Event-driven activity is impacted by financial market conditions and changes in regulatory compliance requirements, resulting in fluctuations in the timing and levels of event-driven fee revenues. As such, the timing and level of event-driven activity and its potential impact on revenues and earnings are difficult to forecast.

Generally, mutual fund proxy activity has been subject to a greater level of volatility than the other components of event-driven activity. For the three months ended September 30, 2021, mutual fund proxy fee revenues were 169% greater compared to the three months ended September 30, 2020. During fiscal year 2021, mutual fund proxy fee revenues were 17% greater than the prior fiscal year. Although it is difficult to forecast the levels of event-driven activity, we expect that the portion of fee revenues derived from mutual fund proxy activity may continue to experience volatility in the future.

Distribution revenues primarily include revenues related to the physical mailing of proxy materials, interim communications, transaction reporting, customer communications and fulfillment services, as well as Matrix administrative services.

Distribution cost of revenues consists primarily of postage-related expenses incurred in connection with our Investor Communication Solutions segment, as well as Matrix administrative services expenses. These costs are reflected in Cost of revenues.

Closed sales represent an estimate of the expected annual recurring fee revenue for new client contracts that were signed by Broadridge in the current reporting period. Closed sales does not include event-driven or distribution activity. We consider contract terms, expected client volumes or activity, knowledge of the marketplace and experience with our clients, among other factors, when determining the estimate. Management uses Closed sales to measure the effectiveness of our sales and marketing programs, as an indicator of expected future revenues and as a performance metric in determining incentive compensation.

Closed sales is not a measure of financial performance under GAAP, and should not be considered in isolation or as a substitute for revenue or other income statement data prepared in accordance with GAAP. Closed sales is a useful metric for investors in understanding how management measures and evaluates our ongoing operational performance.

The inherent variability of transaction volumes and activity levels can result in some variability of amounts reported as actual achieved Closed sales. Larger Closed sales can take up to 12 to 24 months or longer to convert to revenues, particularly for the services provided by our Global Technology and Operations segment. For the fiscal year ending June 30, 2022 and for the fiscal year ended June 30, 2021, we reported Closed sales net of a 5.0% allowance adjustment. Consequently, our reported Closed sales amounts will not be adjusted for actual revenues achieved because these adjustments are estimated in the period the sale is reported. We assess this allowance amount at the end of each fiscal year to establish the appropriate allowance for the subsequent year using the trailing five years actual data as the starting point, normalized for outlying factors, if any, to enhance the accuracy of the allowance.

Closed sales for the three months ended September 30, 2021 were $29.8 million, a decrease of $2.0 million or 6%, compared to $31.8 million for the three months ended September 30, 2020. Closed sales for the three months ended September 30, 2021 are net of an allowance adjustment of $1.6 million.

Recent Developments

In March 2020, the World Health Organization declared the outbreak of Covid-19 as a pandemic, which continues to persist throughout the world including the U.S., India, Canada, Europe and other locations where we operate. To date, the Covid-19 pandemic has negatively impacted the global economy, created significant financial market volatility, disrupted global supply chains, and resulted in a significant number of deaths and infections worldwide. In response, several countries worldwide have enacted fiscal stimulus packages while central banks have increased monetary stimulus, both designed to help mitigate the negative macroeconomic effects of Covid-19. In addition, several national, state and local governments continue to place restrictions on people from gathering in groups or interacting within a certain physical distance (i.e. social distancing) and they may also continue to place restrictions on businesses, limit operations or mandate that people stay at home.

The safety and well-being of our associates and our ability to fulfill our client service commitments are our highest priorities. After addressing the initial surge of the Covid-19 pandemic, we are now focused on running our business effectively in the new work from home paradigm while preparing for a more flexible workplace model in the future. Accordingly, the Company has taken several measures designed to protect the health of our employees and to minimize our operational disruption and resulting provision of services to our clients from the Covid-19 pandemic, including adopting masking, social distancing and cleaning measures in our production facilities. We have actively promoted vaccination by providing our associates with paid time off to get vaccinated and offer Covid-19 vaccines at our on-site medical clinic in Long Island, New York.

In fiscal year 2022 to date, there has not been a material impact as a result of Covid-19 on our consolidated revenues and pre-tax income. In addition, all of our production-related facilities remain operational and are continuing to provide ongoing services to our clients. Further, we have not experienced any significant supply-chain issues as our critical vendors have also remained operational and continue to meet their on-going service level requirements. We continue to engage with our clients to assist with their service demands, including our clients' needs for any supplemental operational services and/or changes to existing service requirements in response to the Covid-19 pandemic.

Notwithstanding the foregoing, we are unable to precisely predict the impact that Covid-19 will have in the future due to numerous uncertainties, including the severity of the disease, the duration of the outbreak, actions that may be taken by governmental authorities, the impact to the business of our clients, and other factors identified in Part I, Item 1A. "Risk Factors" in our 2021 Annual Report. Given these uncertainties, Covid-19 could disrupt the business of certain of our clients, decrease our clients' demand for our services, impact our business operations and our ability to execute on our associated business strategies and initiatives, and adversely impact our consolidated results of operations and/or our financial condition in the future. We will continue to closely monitor and evaluate the nature and extent of the impact of Covid-19 to our business, consolidated results of operations, and financial condition.

On August 5, 2020, the SEC proposed modifications to the mutual fund and exchange-traded fund disclosure framework (the "Proposal"). The Proposal would allow fund companies to send investors streamlined and tailored annual and semi-annual shareholder reports instead of long-form shareholder reports. The Proposal also would replace the need for funds to distribute an annual prospectus to existing shareholders with instead sending timely communication of material changes via supplemental communications. Adoption and implementation of the Proposal as proposed could have an impact on our services, business and financial results. We will closely monitor and evaluate the progress of the Proposal and its potential impact on our business. Please see our "Risk Factors" in Part I, Item 1A. of our 2021 Annual Report for more information.

Analysis of Condensed Consolidated Statements of Earnings

Three Months Ended September 30, 2021 versus Three Months Ended September 30, 2020

The table below presents Condensed Consolidated Statements of Earnings data for the three months ended September 30, 2021 and 2020, and the dollar and percentage changes between periods:

	Three Months Ended September 30,		Change	
	2021	**2020**	**$**	**%**
	(in millions, except per share amounts)			
Revenues	$ 1,192.9	$ 1,017.4	$ 175.5	17
Cost of revenues	914.1	787.1	127.0	16
Selling, general and administrative expenses	175.5	151.7	23.8	16
Total operating expenses	1,089.6	938.8	150.8	16
Operating income	103.3	78.6	24.7	31
Margin	8.7 %	7.7 %		
Interest expense, net	(22.6)	(14.4)	(8.2)	57
Other non-operating income (expenses), net	(2.4)	9.5	(11.9)	(125)
Earnings before income taxes	78.2	73.6	4.6	6
Provision for income taxes	11.0	7.8	3.2	41
Effective tax rate	14.1 %	10.6 %		
Net earnings	$ 67.2	$ 65.8	$ 1.4	2
Basic earnings per share	$ 0.58	$ 0.57	$ 0.01	2
Diluted earnings per share	$ 0.57	$ 0.56	$ 0.01	2
Weighted average shares outstanding:				
Basic	116.2	115.3		
Diluted	118.3	117.4		

Revenues

The table below presents Condensed Consolidated Statements of Earnings data for the three months ended September 30, 2021 and 2020, and the dollar and percentage changes between periods:

	Three Months Ended September 30,			
			Change	
	2021	**2020**	**$**	**%**
		($ in millions)		
Recurring fee revenues	$ 750.8	$ 649.6	$ 101.3	16
Event-driven fee revenues	76.3	45.2	31.2	69
Distribution revenues	366.9	331.2	35.7	11
Foreign currency exchange	(1.2)	(8.6)	7.4	(86)
Total	$ 1,192.9	$ 1,017.4	$ 175.5	17

	Points of Growth			
	Net New Business	**Internal Growth**	**Acquisitions**	**Total**
Recurring fee revenue Growth Drivers	5pts	2pts	9pts	16

Revenues increased $175.5 million, or 17%, to $1,192.9 million from $1,017.4 million.

- Recurring fee revenues increased $101.3 million driven by 5 pts of growth from onboarding of new business and 2 pts from internal growth driven by our ICS business. Growth from acquisitions was 9 pts, most notably from our recent Itiviti acquisition which closed in May 2021.
- Event-driven fee revenues increased $31.2 million primarily due to increased mutual fund proxy activity.
- Distribution revenues increased $35.7 million primarily due to the increase in customer communication mailings and event-driven activity.

***Total operating expenses*.** Operating expenses increased $150.8 million, or 16%, to $1,089.6 million from $938.8 million as a result of an increase in both cost of revenues and selling, general and administrative expenses:

- Cost of revenues - The increase of $127.0 million in cost of revenues primarily reflects (i) higher operating costs from acquisitions including amortization expense from acquired intangible assets, (ii) higher distribution expenses, and (iii) higher labor related expenses, partially offset by (iv) the absence of the real estate realignment charge that occurred in the prior year period.
- Selling, general and administrative expenses - The increase of $23.8 million in selling, general, and administrative expenses primarily reflects the impact of acquisitions.

Interest expense, net. Interest expense, net was $22.6 million, an increase of $8.2 million, from $14.4 million for the three months ended September 30, 2020. The increase of $8.2 million was primarily due to an increase in higher average debt outstanding.

Other non-operating income (expenses), net. Other non-operating expense, net for the three months ended September 30, 2021 was $2.4 million, compared to other non-operating income, net of $9.5 million for the three months ended September 30, 2020. The increased expense of $11.9 million was primarily due to higher gains on investments in the prior year period.

***Provision for income taxes*.**

- Effective tax rate for the three months ended September 30, 2021: 14.1%
- Effective tax rate for the three months ended September 30, 2020: 10.6%

The increase in the effective tax rate for the three months ended September 30, 2021 was driven by lower total discrete tax items, inclusive of the excess tax benefits related to equity compensation, compared to the prior year period.

Analysis of Reportable Segments

Broadridge has two reportable segments: (1) Investor Communication Solutions and (2) Global Technology and Operations.

The primary component of "Other" are certain gains, losses, corporate overhead expenses and non-operating expenses that have not been allocated to the reportable segments, such as interest expense. Foreign currency exchange is a reconciling item between the actual foreign currency exchange rates and the constant foreign currency exchange rates used for internal management reporting.

Certain corporate expenses, as well as certain centrally managed expenses, are allocated based upon budgeted amounts in a reasonable manner. Because the Company compensates the management of its various businesses on, among other factors, segment profit, the Company may elect to record certain segment-related operating and non-operating expense items in Other rather than reflect such items in segment profit.

Revenues

	Three Months Ended September 30,		Change	
	2021	**2020**	**$**	**%**
	($ in millions)			
Investor Communication Solutions	$ 853.5	$ 745.6	$ 108.0	14
Global Technology and Operations	340.6	280.4	60.2	21
Foreign currency exchange	(1.2)	(8.6)	7.4	(86)
Total	$ 1,192.9	$ 1,017.4	$ 175.5	17

Earnings Before Income Taxes

	Three Months Ended September 30,		Change	
	2021	**2020**	**$**	**%**
	($ in millions)			
Investor Communication Solutions	$ 82.4	$ 52.4	$ 30.0	57
Global Technology and Operations	18.7	69.9	(51.2)	(73)
Other	(21.5)	(45.9)	24.4	(53)
Foreign currency exchange	(1.4)	(2.8)	1.4	(50)
Total	$ 78.2	$ 73.6	$ 4.6	6

The amount of amortization of acquired intangibles and purchased intellectual property by segment is as follows:

	Three Months Ended September 30,		Change	
	2021	**2020**	**$**	**%**
	($ in millions)			
Investor Communication Solutions	$ 20.9	$ 22.2	$ (1.4)	(6)
Global Technology and Operations	48.4	10.7	37.7	NM
Other	—	0.4	(0.4)	(100)
Foreign currency exchange	(0.6)	(1.0)	0.4	(40)
Total	$ 68.7	$ 32.3	$ 36.4	113

NM - Not meaningful

Investor Communication Solutions

Revenues for the three months ended September 30, 2021 increased $108.0 million to $853.5 million from $745.6 million, and earnings before income taxes increased $30.0 million to $82.4 million from $52.4 million.

	Three Months Ended September 30,		Change	
	2021	2020	$	%
	($ in millions)			
Revenues				
Recurring fee revenues	$ 410.3	$ 369.2	$ 41.1	11
Event-driven fee revenues	76.3	45.2	31.2	69
Distribution revenues	366.9	331.2	35.7	11
Total	$ 853.5	$ 745.6	$ 108.0	14
Earnings Before Income Taxes				
Earnings before income taxes	$ 82.4	$ 52.4	$ 30.0	57
Pre-tax Margin	9.7 %	7.0 %		

	Points of Growth			
	Net New Business	Internal Growth	Acquisitions	Total
Recurring fee revenue Growth Drivers	6pts	5pts	0pts	11

For the three months ended September 30, 2021:

- Recurring fee revenues grew 11% driven primarily by Net New Business and Internal Growth. Internal Growth benefited from higher volume of mutual fund and exchange-traded fund communications and equity proxy.
- Event-driven fee revenues grew 69% primarily due to increased mutual fund proxy activity.
- Higher distribution revenues resulted primarily due to an increase in customer communication mailings and event-driven activity.
- The earnings increase was primarily due to the increase in recurring and event-driven fee revenues. Pre-tax margins increased by 2.7 percentage points to 9.7% from 7.0%. Amortization expense from acquired intangibles decreased by $1.4 million to $20.9 million in the first quarter of fiscal year 2022 from $22.2 million in the prior period.

Global Technology and Operations

Revenues for the three months ended September 30, 2021 increased $60.2 million to $340.6 million from $280.4 million, and earnings before income taxes decreased $51.2 million to $18.7 million from $69.9 million.

	Three Months Ended September 30,			
			Change	
	2021	2020	$	%
	($ in millions)			
Revenues				
Recurring fee revenues	$ 340.6	$ 280.4	$ 60.2	21
Earnings Before Income Taxes				
Earnings before income taxes	$ 18.7	$ 69.9	$ (51.2)	(73)
Pre-tax Margin	5.5 %	24.9 %		

	Points of Growth			
	Net New Business	Internal Growth	Acquisitions	Tota
Recurring fee revenue Growth Drivers	3pts	(2)pts	20pts	21

For the three months ended September 30, 2021:

- Recurring fee revenues grew 21% driven primarily by 20pts of growth from recent acquisitions including 19pts from the Itiviti acquisition.
- The earnings decrease was driven by increased amortization of acquired intangibles and increased expenditures to implement and support new business. Pre-tax margins decreased by 19.4 percentage points to 5.5% from 24.9%. Amortization expense from acquired intangibles increased by $37.7 million to $48.4 million in the first quarter of fiscal year 2022 from $10.7 million in the prior year period primarily as a result of the Itiviti acquisition.

Other

Loss before income taxes was $21.5 million for the three months ended September 30, 2021, a decrease of $24.4 million compared to $45.9 million for the three months ended September 30, 2020.

- The decreased loss before income taxes was primarily due to (i) the absence of the real estate realignment charge that occurred in the prior year period in which the Company recorded lease and other facility exit costs of $28.6 million, partially offset by (ii) higher interest expense due to an increase in average debt outstanding.

Explanation and Reconciliation of the Company's Use of Non-GAAP Financial Measures

The Company's results in this Quarterly Report on Form 10-Q are presented in accordance with U.S. GAAP except where otherwise noted. In certain circumstances, Non-GAAP results have been presented. These Non-GAAP measures are Adjusted Operating income, Adjusted Operating income margin, Adjusted Net earnings, Adjusted earnings per share, and Free cash flow. These Non-GAAP financial measures should be viewed in addition to, and not as a substitute for, the Company's reported results.

The Company believes our Non-GAAP financial measures help investors understand how management plans, measures and evaluates the Company's business performance. Management believes that Non-GAAP measures provide consistency in its financial reporting and facilitates investors' understanding of the Company's operating results and trends by providing an additional basis for comparison. Management uses these Non-GAAP financial measures to, among other things, evaluate our ongoing operations, and for internal planning and forecasting purposes. In addition, and as a consequence of the importance of these Non-GAAP financial measures in managing our business, the Company's Compensation Committee of the Board of Directors incorporates Non-GAAP financial measures in the evaluation process for determining management compensation.

Adjusted Operating Income, Adjusted Operating Income Margin, Adjusted Net Earnings and Adjusted Earnings Per Share

These Non-GAAP measures reflect Operating income, Operating income margin, Net earnings, and Diluted earnings per share, each as adjusted to exclude the impact of certain costs, expenses, gains and losses and other specified items the exclusion of which management believes provides insight regarding our ongoing operating performance. Depending on the period presented, these adjusted measures exclude the impact of certain of the following items: (i) Amortization of Acquired Intangibles and Purchased Intellectual Property, (ii) Acquisition and Integration Costs, (iii) Real Estate Realignment and Covid-19 Related Expenses, (iv) Investment Gain, and (v) Software Charge. Amortization of Acquired Intangibles and Purchased Intellectual Property represents non-cash amortization expenses associated with the Company's acquisition activities. Acquisition and Integration Costs represent certain transaction and integration costs associated with the Company's acquisition activities. Real Estate Realignment and Covid-19 Related Expenses represent costs associated with the Company's real estate realignment initiative, including lease exit and impairment charges and other facility exit costs, as well as certain expenses associated with the Covid-19 pandemic. Investment Gain represents a non-operating, non-cash gain on a privately held investment. Software Charge represents a charge related to an internal use software product that is no longer expected to be used.

We exclude Acquisition and Integration Costs, Real Estate Realignment and Covid-19 Related Expenses, the Investment Gain, and the Software Charge from our Adjusted Operating income (as applicable) and other adjusted earnings measures because excluding such information provides us with an understanding of the results from the primary operations of our business and enhances comparability across fiscal reporting periods, as these items are not reflective of our underlying operations or performance. We also exclude the impact of Amortization of Acquired Intangibles and Purchased Intellectual Property, as these non-cash amounts are significantly impacted by the timing and size of individual acquisitions and do not factor into the Company's capital allocation decisions, management compensation metrics or multi-year objectives. Furthermore, management believes that this adjustment enables better comparison of our results as Amortization of Acquired Intangibles and Purchased Intellectual Property will not recur in future periods once such intangible assets have been fully amortized. Although we exclude Amortization of Acquired Intangibles and Purchased Intellectual Property from our adjusted earnings measures, our management believes that it is important for investors to understand that these intangible assets contribute to revenue generation. Amortization of intangible assets that relate to past acquisitions will recur in future periods until such intangible assets have been fully amortized. Any future acquisitions may result in the amortization of additional intangible assets.

Free Cash Flow

In addition to the Non-GAAP financial measures discussed above, we provide Free cash flow information because we consider Free cash flow to be a liquidity measure that provides useful information to management and investors about the amount of cash generated that could be used for dividends, share repurchases, strategic acquisitions, other investments, as well as debt servicing. Free cash flow is a Non-GAAP financial measure and is defined by the Company as Net cash flows provided by operating activities plus Proceeds from asset sales, less Capital expenditures as well as Software purchases and capitalized internal use software.

Set forth below is a reconciliation of such Non-GAAP measures to the most directly comparable GAAP measures (unaudited):

	Three Months Ended September 30,	
	2021	2020
	(in millions)	
Operating income (GAAP)	$ 103.3	$ 78.6
Adjustments:		
Amortization of Acquired Intangibles and Purchased Intellectual Property	68.7	32.3
Acquisition and Integration Costs	2.9	1.7
Real Estate Realignment and Covid-19 Related Expenses	1.8	31.9
Software Charge	—	6.0
Adjusted Operating income (Non-GAAP)	$ 176.7	$ 150.6
Operating income margin (GAAP)	8.7 %	7.7 %
Adjusted Operating income margin (Non-GAAP)	14.8 %	14.8 %

	Three Months Ended September 30,	
	2021	2020
	(in millions)	
Net earnings (GAAP)	$ 67.2	$ 65.8
Adjustments:		
Amortization of Acquired Intangibles and Purchased Intellectual Property	68.7	32.3
Acquisition and Integration Costs	2.9	1.7
Real Estate Realignment and Covid-19 Related Expenses	1.8	31.9
Investment Gain	—	(8.7)
Software Charge	—	6.0
Subtotal of adjustments	73.4	63.3
Tax impact of adjustments (a)	(14.4)	(14.6)
Adjusted Net earnings (Non-GAAP)	$ 126.3	$ 114.5

	Three Months Ended September 30,	
	2021	2020
Diluted earnings per share (GAAP)	$ 0.57	$ 0.56
Adjustments:		
Amortization of Acquired Intangibles and Purchased Intellectual Property	0.58	0.28
Acquisition and Integration Costs	0.02	0.01
Real Estate Realignment and Covid-19 Related Expenses	0.02	0.27
Investment Gain	—	(0.07)
Software Charge	—	0.05
Subtotal of adjustments	0.62	0.54
Tax impact of adjustments (a)	(0.12)	(0.12)
Adjusted earnings per share (Non-GAAP)	$ 1.07	$ 0.98

(a) Calculated using the GAAP effective tax rate, adjusted to exclude $4.3 million of excess tax benefits associated with stock-based compensation for the three months ended September 30, 2021, and $9.3 million of excess tax benefits associated with stock-based compensation for the three months ended September 30, 2020. For purposes of calculating the Adjusted earnings per share, the same adjustments were made on a per share basis.

	Three Months Ended September 30,	
	2021	2020
	(in millions)	
Net cash flows used in operating activities (GAAP)	$ (135.4)	$ (44.2)
Capital expenditures and Software purchases and capitalized internal use software	(15.9)	(23.9)
Proceeds from asset sales	—	18.0
Free cash flow (Non-GAAP)	$ (151.4)	$ (50.2)

Financial Condition, Liquidity and Capital Resources

Cash and cash equivalents consisted of the following:

	September 30, 2021	June 30, 2021
	(in millions)	
Cash and cash equivalents:		
Domestic cash	$ 93.7	$ 40.9
Cash held by foreign subsidiaries	146.4	159.8
Cash held by regulated entities	76.6	73.8
Total cash and cash equivalents	$ 316.7	$ 274.5

At September 30, 2021, Cash and cash equivalents were $316.7 million and Total stockholders’ equity was $1,753.8 million. At the current time, and in future periods, we expect cash generated by our operations, together with existing cash, cash equivalents, and borrowings from the capital markets, to be sufficient to cover cash needs for working capital, capital expenditures, strategic acquisitions, dividends and common stock repurchases. Given the volatility in the rapidly changing market and economic conditions related to the Covid-19 pandemic, we will continue to evaluate the nature and extent of the impact of the Covid-19 pandemic on our business and financial position.

We expect existing domestic cash, cash equivalents, cash flows from operations and borrowing capacity to continue to be sufficient to fund our domestic operating activities and cash commitments for investing and financing activities, such as regular quarterly dividends, debt repayment schedules, and material capital expenditures, for at least the next 12 months and thereafter for the foreseeable future. In addition, we expect existing foreign cash, cash equivalents, cash flows from operations and borrowing capacity to continue to be sufficient to fund our foreign operating activities and cash commitments for investing activities, such as material capital expenditures, for at least the next 12 months and thereafter for the foreseeable future. If these funds are needed for our operations in the U.S., we may be required to pay additional foreign taxes to repatriate these funds. However, while we may do so at a future date, the Company does not need to repatriate future foreign earnings to fund U.S. operations.

Outstanding borrowings and available capacity under the Company’s borrowing arrangements were as follows:

	Expiration Date	Principal amount outstanding at September 30, 2021	Carrying value at September 30, 2021	Carrying value at June 30, 2021	Unused Available Capacity	Fair Valu September 30, 2
				(in millions)		
Long-term debt, excluding current portion						
Fiscal 2021 Revolving Credit Facility:						
U.S. dollar tranche	April 2026	$ 300.0	$ 300.0	$ 20.0	$ 800.0	$ 3
Multicurrency tranche	April 2026	91.4	91.4	94.4	308.6	
Total Revolving Credit Facility		391.4	391.4	114.4	1,108.6	3
Fiscal 2021 Term Loans	May 2024	1,550.0	1,544.0	1,543.4	—	1,5
Fiscal 2016 Senior Notes	June 2026	500.0	496.9	496.7	—	5
Fiscal 2020 Senior Notes	December 2029	750.0	742.7	742.5	—	7
Fiscal 2021 Senior Notes	May 2031	1,000.0	990.8	990.6	—	1,0
Total Senior Notes		2,250.0	2,230.4	2,229.8	—	2,3
Total debt		$ 4,191.4	$ 4,165.9	$ 3,887.6	$ 1,108.6	$ 4,2

Future principal payments on our outstanding debt are as follows:

Years ending June 30,	2022	2023	2024	2025	2026	Thereafter	Total
(In millions)	$ —	$ —	$ 1,550.0	$ —	$ 891.4	$ 1,750.0	$ 4,191.

The Company has a $1.5 billion five-year revolving credit facility (the “Fiscal 2021 Revolving Credit Facility”), which is comprised of a $1.1 billion U.S. dollar tranche and a $400.0 million multicurrency tranche. Under the Fiscal 2021 Revolving Credit Facility, revolving loans denominated in U.S. Dollars, Canadian Dollars, Euro, Yen, and Swedish Kronor initially bear interest at LIBOR, CDOR, EURIBOR, TIBOR and STIBOR, respectively, plus 1.015% per annum (subject to step-ups to 1.175% and step-downs to 0.805% based on ratings) and revolving loans denominated in Sterling initially bear interest at SONIA plus 1.0476% per annum (subject to step-ups to 1.2076% and step-downs to 0.8376% based on ratings). The Fiscal 2021 Revolving Credit Facility also has an annual facility fee equal to 11.0 basis points on the entire facility (subject to step-ups to 20.0 basis points and step-downs to 7.0 basis points based on ratings).

In March 2021, the Company entered into a term credit agreement (“Term Credit Agreement”) providing for term loan commitments in an aggregate principal amount of $2.55 billion, comprised of a $1.0 billion tranche (“Tranche 1”) and a $1.55 billion tranche (“Tranche 2,” together with Tranche 1, the “Fiscal 2021 Term Loans”). The Tranche 1 Loans were repaid in full in May 2021. The Tranche 2 Loans will mature in May 2024 on the third anniversary of the Funding Date. The proceeds of the Fiscal 2021 Term Loans were used by the Company to solely finance the Itiviti acquisition and pay certain fees and expenses in connection therewith. Interest on the outstanding portion of the Fiscal 2021 Term Loans bears interest at LIBOR plus 0.875% per annum (subject to step-ups to LIBOR plus 1.250% or a step-down to LIBOR plus 0.750% based on ratings).

In June 2016, the Company completed an offering of $500.0 million in aggregate principal amount of senior notes (the “Fiscal 2016 Senior Notes”). Interest on the Fiscal 2016 Senior Notes is payable semiannually on June 27 and December 27 of each year based on a fixed per annum rate equal to 3.40%. In December 2019, the Company completed an offering of $750.0 million in aggregate principal amount of senior notes (the “Fiscal 2020 Senior Notes”). Interest on the Fiscal 2020 Senior Notes is payable semiannually on June 1 and December 1 of each year based on a fixed per annum rate equal to 2.90%. In May 2021, the Company completed an offering of $1.0 billion in aggregate principal amount of senior notes (the “Fiscal 2021 Senior Notes”). Interest on the Fiscal 2021 Senior Notes is payable semi-annually in arrears on May 1 and November 1 of each year based on a fixed per annum rate equal to 2.60%.

The Fiscal 2021 Revolving Credit Facility, Fiscal 2021 Term Loans, Fiscal 2016 Senior Notes, Fiscal 2020 Senior Notes and Fiscal 2021 Senior Notes are senior unsecured obligations of the Company and are ranked equally in right of payment.

Our liquidity position may be negatively affected by changes in general economic conditions, regulatory requirements and access to the capital markets, which may be limited if we were to fail to renew any of the credit facilities on their renewal dates or if we were to fail to meet certain ratios.

Please refer to Note 10, "Borrowings" to our Condensed Consolidated Financial Statements in Item 1. of Part I of this Quarterly Report on Form 10-Q for a more detailed discussion.

Cash Flows

	Three Months Ended September 30,		Change
	2021	2020	$
	(in millions)		
Net cash flows used in operating activities	$ (135.4)	$ (44.2)	$ (91.2)
Net cash flows used in investing activities	$ (36.4)	$ (8.7)	$ (27.7)
Net cash flows provided by (used in) financing activities	$ 217.0	$ (72.7)	$ 289.7
Free cash flow:			
Net cash flows used in operating activities (GAAP)	$ (135.4)	$ (44.2)	$ (91.2)
Capital expenditures and Software purchases and capitalized internal use software	(15.9)	(23.9)	8.0
Proceeds from asset sales	—	18.0	(18.0)
Free cash flow (Non-GAAP)	$ (151.4)	$ (50.2)	$ (101.2)

The increase in cash used in operating activities of $91.2 million in the three months ended September 30, 2021, as compared to the three months ended September 30, 2020, was primarily due to higher cash used in working capital and increased scaling of client-related platform implementation and development as compared to the prior year period.

The increase in cash used in investing activities of $27.7 million in the three months ended September 30, 2021, as compared to the three months ended September 30, 2020, primarily reflects higher acquisition activity and the absence of the $18 million in proceeds from asset sales which occurred in the prior year period, partially offset by lower capital expenditures.

The increase in cash provided by financing activities of $289.7 million in the three months ended September 30, 2021, as compared to the three months ended September 30, 2020, primarily reflects higher borrowings net of repayments in the current year period as compared to the prior year period.

Seasonality

Processing and distributing proxy materials and annual reports to investors comprises a large portion of our Investor Communication Solutions business. We process and distribute the greatest number of proxy materials and annual reports during our third and fourth fiscal quarters. The recurring periodic activity of this business is linked to significant filing deadlines imposed by law on public reporting companies. This has caused our revenues, operating income, net earnings, and cash flows from operating activities to be higher in our third and fourth fiscal quarters. Notwithstanding, the seasonality of our revenues makes it difficult to estimate future operating results based on the results of any specific fiscal quarter and could affect an investor's ability to compare our financial condition, results of operations, and cash flows on a fiscal quarter-by-quarter basis.

Contractual Obligations

In March 2010, the Company and International Business Machines Corporation ("IBM") entered into an Information Technology Services Agreement (the "IT Services Agreement"), under which IBM provided certain aspects of the Company's information technology infrastructure. Under the IT Services Agreement, IBM provided a broad range of technology services to the Company including supporting its mainframe, midrange, network and data center operations, as well as providing disaster recovery services. The migration of data center processing to IBM was completed in August 2012. In December 2019, the Company and IBM amended and restated the IT Services Agreement (the "Amended IT Services Agreement"), which now expires on June 30, 2027. The Company has the option of incorporating additional services into the Amended IT Services Agreement over time. The Company may renew the term of the Amended IT Services Agreement for up to one additional 12-month period. On July 28, 2021, the Company entered into a novation agreement with IBM (the "U.S. Novation Agreement") pursuant to which IBM novated the Amended IT Services Agreement to Kyndryl, Inc., an entity formed in connection with IBM's planned spin-off of its managed infrastructure services business ("Kyndryl"), effective September 1, 2021. Fixed minimum commitments remaining under the Amended IT Services Agreement at September 30, 2021 are $189.3 million through fiscal year 2027, the final year of the Amended IT Services Agreement.

In December 2019, the Company and IBM entered into an information technology agreement for private cloud services (the "Private Cloud Agreement") under which IBM will operate, manage and support the Company's private cloud global distributed platforms and products, and operate and manage certain Company networks. The Private Cloud Agreement has an initial term of approximately 10 years and three months, expiring on March 31, 2030. As a result of the Private Cloud Agreement, the Company transferred certain of its employees in April 2020 to IBM and its affiliates, and that such transferred employees are expected to continue providing services to the Company on behalf of IBM under the Private Cloud Agreement. Pursuant to the Private Cloud Agreement, the Company agreed to transfer the ownership of certain Company-owned hardware (the "Hardware") located at Company facilities worldwide to IBM. The transfer of the Hardware and Maintenance Contracts to IBM closed on September 30, 2020 for a selling price of $18.0 million. On July 28, 2021, IBM novated the Private Cloud Agreement to Kyndryl, effective September 1, 2021, pursuant to the U.S. Novation Agreement. Fixed minimum commitments remaining under the Private Cloud Agreement at September 30, 2021 are $192.3 million through March 31, 2030, the final year of the contract.

In March 2014, the Company and IBM United Kingdom Limited ("IBM UK") entered into an Information Technology Services Agreement (the "EU IT Services Agreement"), under which IBM UK provides data center services supporting the Company's technology outsourcing services for certain clients in Europe and Asia. The EU IT Services Agreement would have expired in October 2023. In December 2019, the Company amended the existing EU IT Services Agreement whereby the Company will migrate from the existing dedicated on-premises solution to a managed Broadridge private cloud environment provided by IBM, as well as extended the term of the EU IT Services Agreement to June 2029 (the "Amended EU IT Services Agreement"). The Company has the right to renew the term of the Amended EU IT Services Agreement for up to one additional 12-month period or one additional 24-month period. On August 19, 2021, the Company entered into a novation agreement with IBM UK pursuant to which IBM UK novated the EU IT Services Agreement to Kyndryl UK Limited, effective September 1, 2021. Fixed minimum commitments remaining under the Amended EU IT Services Agreement at September 30, 2021 are $29.5 million through fiscal year 2029, the final year of the contract.

The Company has an equity method investment that is a variable interest in a variable interest entity, the Company is not the primary beneficiary and therefore does not consolidate the investee. The Company's potential maximum loss exposure related to this unconsolidated investment totaled $31.3 million as of September 30, 2021, which represents the carrying value of our investment and is recorded in Other non-current assets in the Company's Condensed Consolidated Balance Sheets.

In addition, as of September 30, 2021, the Company also has a future commitment to fund $1.7 million to one of the Company's other investees.

Fixed Operating Lease Cost

Fixed operating lease cost for the three months ending September 30, 2021 and September 30, 2020 are as follows:

	Three Months Ended September 30,	
	2021	2020
	(in millions)	
Fixed Operating Lease Cost	$ 11.3	$ 24.4

Other Commercial Agreements

Certain of the Company's subsidiaries established unsecured, uncommitted lines of credit with banks. There were no outstanding borrowings under these lines of credit at September 30, 2021.

Off-balance Sheet Arrangements

It is not the Company's business practice to enter into off-balance sheet arrangements. However, the Company is exposed to market risk from changes in foreign currency exchange rates that could impact its financial position, results of operations, and cash flows. The Company manages its exposure to these market risks through its regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. The Company was not a party to any outstanding derivative financial instruments at September 30, 2021 and June 30, 2021. In March 2021, the Company entered into a derivative instrument designed to mitigate the Company's exposure to the impact of changes in interest rates on the Fiscal 2021 Senior Notes.

The Company executed a forward treasury lock agreement ("Treasury Lock"), designated as a cash flow hedge, in the aggregate notional amount of $1.0 billion to manage exposure to fluctuations in the benchmark interest rate associated with the Fiscal 2021 Senior Notes, which were used to pay down a portion of the Term Credit Agreement associated with the Itiviti acquisition. Accordingly, changes in the fair value of the Treasury Lock were recorded as part of Other comprehensive income (loss), net each period up to when the Treasury Lock was settled. In May 2021, the Treasury Lock was settled for a pre-tax loss of $11.0 million, after which the final settlement loss will be reclassified into Interest expense, net ratably over the ten year term of the Fiscal 2021 Senior Notes. The expected amount of the existing loss that would be reclassified into earnings before income taxes within the next twelve months is approximately $1.1 million.

In the normal course of business, the Company also enters into contracts in which it makes representations and warranties that relate to the performance of the Company's products and services. The Company does not expect any material losses related to such representations and warranties, or collateral arrangements.

Recently-issued Accounting Pronouncements

Please refer to Note 2, "New Accounting Pronouncements" to our Condensed Consolidated Financial Statements under Item 1. of Part I of this Quarterly Report on Form 10-Q, for a discussion on the impact of new accounting pronouncements.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes to the quantitative and qualitative disclosures about market risk previously disclosed in Item 7A of our 2021 Annual Report.

Item 4. CONTROLS AND PROCEDURES

Management's Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2021. The Chief Executive Officer and the Chief Financial Officer concluded that our disclosure controls and procedures as of September 30, 2021 were effective to provide reasonable assurance that the information required to be disclosed by us in reports filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding disclosure.

Changes in Internal Control over Financial Reporting

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the three months ended September 30, 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

In the normal course of business, the Company is subject to claims and litigation. While the outcome of any claim or litigation is inherently unpredictable, the Company believes that the ultimate resolution of these matters will not, individually or in the aggregate, result in a material impact on its financial condition, results of operations, or cash flows.

Item 1A. RISK FACTORS

In addition to the risk set forth below and the information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the “Risk Factors” disclosed under Item 1A. to Part I in our 2021 Annual Report. You should be aware that these risk factors and other information may not describe every risk facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results. There have been no material changes to the risk factors we have disclosed in the “Risk Factors” section of our 2021 Annual Report.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table contains information about our purchases of our equity securities for each of the three months during our first fiscal quarter ended September 30, 2021:

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (2)
July 1, 2021 - July 31, 2021	—	$ —	—	9,586,545
August 1, 2021 - August 31, 2021	—	—	—	9,586,545
September 1, 2021 - September 30, 2021	—	—	—	9,586,545
Total	—	$ —	—	

(1) Represents shares purchased from employees to pay taxes related to the vesting of restricted stock units.

(2) During the fiscal quarter ended September 30, 2021, the Company did not repurchase shares of common stock under its share repurchase program. At September 30, 2021, the Company had 9.6 million shares available for repurchase under its share repurchase program. Any share repurchases will be made in the open market or privately negotiated transactions in compliance with applicable legal requirements and other factors.

Item 6. EXHIBITS

The following exhibits are being filed as part of this Quarterly Report on Form 10-Q:

10.1	Chief Legal Officer Offer Letter, dated June 10, 2021.
10.2	Novation Agreement, dated July 28, 2021, among Broadridge Financial Solutions, Inc., International Business Machines Corporation and Kyndryl, Inc.
10.3	Novation Agreement, dated August 19, 2021, among Broadridge Financial Solutions, Inc., IBM United Kingdom Limited and Kyndryl UK Limited.
31.1	Certification of the Chief Executive Officer of Broadridge Financial Solutions, Inc., pursuant to Rule 13a-14 of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Chief Financial Officer of Broadridge Financial Solutions, Inc., pursuant to Rule 13a-14 of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial statements from the Broadridge Financial Solutions, Inc. Quarterly Report on Form 10-Q for the quarter ended September 30, 2021, formatted in eXtensible Business Reporting Language (XBRL): (i) condensed consolidated statements of earnings for the three months ended September 30, 2021 and 2020, (ii) condensed consolidated statements of comprehensive income for the three months ended September 30, 2021 and 2020, (iii) condensed consolidated balance sheets as of September 30, 2021 and June 30, 2021, (iv) condensed consolidated statements of cash flows for the three months ended September 30, 2021 and 2020, (v) condensed consolidated statements of stockholders' equity for the three months ended September 30, 2021 and 2020, and (vi) the notes to the condensed consolidated financial statements. XBRL Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
104	Cover Page Interactive Data File (Formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Quarterly Report on Form 10-Q to be signed on its behalf by the undersigned hereunto duly authorized.

BROADRIDGE FINANCIAL SOLUTIONS, INC.

Date: November 3, 2021

By: /s/ Edmund J. Reese

Edmund J. Reese
Corporate Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 10.1

June 10, 2021

Keir Gumbs

Dear Keir:

Congratulations! It is my pleasure to extend you a conditional offer of employment for the position of **Chief Legal Officer** of Broadridge Financial Solutions, Inc. (the "***Company***" or "***Broadridge***") reporting to Tim Gokey, Chief Executive Officer**.** Subject to approval of the Broadridge Board of Directors, you will be appointed a Corporate Officer with the title of Corporate Vice President. This position will be based in Washington, D.C. Your anticipated start date, assuming you satisfy the pre-conditions of employment, will be July 27, 2021, or such other date as we find mutually agreeable.

I wanted to take this opportunity to highlight some of the compensation and benefit packages currently available to executive officers, along with various Company policies currently applicable to executive officers. The descriptions of the policies and plans in this letter do not provide all of their terms, and they are subject to the terms and conditions of the actual plan documents or policies, as in effect from time to time. Current versions of some of the policies are attached to this letter. The plans and policies may be amended from time to time or terminated, as set forth in the applicable plan or policy documents.

Please note that your participation in the following Corporate Officer plans, benefits and perquisites described in this offer letter is subject to your appointment as a Corporate Officer by Broadridge's Board of Directors: the officer annual performance-based cash incentive award; the Change in Control Severance Plan; the Officer Severance Plan; the Executive Auto Program; the corporate officer benefits under the Executive Retirement and Savings Plan, and Matching Gift Program.

Base Salary

Your initial annual base salary of **$550,000** will be paid on a monthly basis, generally on the 25th day of each month. You will be eligible to participate in Broadridge's annual performance appraisal process and merit review cycle.

Officer Annual Performance-Based Cash Incentive Award (Bonus)

Subject to the approval of the Compensation Committee of the Broadridge Board of Directors (the "***Compensation Committee***"), you will be eligible for an annual performance-based cash incentive award ("***Officer Bonus***") beginning in fiscal year 2022 (July 1, 2021 to June 30, 2022). Your fiscal year 2022 Officer Bonus target will be **85%** of your base salary and will be capped at 200% of the target amount for fiscal year 2022. Your fiscal year 2022 bonus will be prorated based on the number of days you are employed by Broadridge divided by 365.

The Officer Bonus award will be payable following completion of the fiscal year and you must be employed with Broadridge on June 30th of the closing fiscal year to be eligible to receive any award. Any such award will be paid by September 15th of the following fiscal year, subject to any deferral elections.

Your Officer Bonus will be determined by the Compensation Committee in its discretion, taking into account financial and non-financial performance of the Company, your individual performance, recommendations from the Chief Executive Officer, and any other factors the Compensation Committee deems relevant, limited to the maximum award amount. The financial metrics for this component of your bonus will be consistent with all other Corporate Officers in Shared Services roles and will be established by the Compensation Committee.

Within 60 days of your start date, you will be required to have completed, in conjunction with your manager, a written performance plan including personal performance objectives in connection with your cash incentive award that you will have to achieve for the balance of the fiscal year.

Annual Equity Grants

As an executive officer, you will be eligible to receive annual equity awards under the terms of the Broadridge 2018 Omnibus Award Plan or any successor thereto (the "***Omnibus Plan***")***,*** subject to the approval of the Compensation Committee. As described below, the Chief Executive Officer will recommend to the Compensation Committee that you receive **$1,210,000** in target value of annual equity awards during fiscal year 2022, split equally between performance-based restricted stock units ("***PRSUs***") and stock options. The terms of such fiscal year 2022 awards will be as described in the Omnibus Plan and the applicable award agreements and will be consistent with the terms of the other corporate officer annual equity awards.

- **PRSUs:** Grants are currently scheduled to be made annually in October of each year, with the number of PRSUs based on target values that are reviewed and approved annually by the Compensation Committee. Your fiscal year 2022 annual grant will have a target value of approximately **$605,000** (as determined by the Compensation Committee), to be made in October 2021 and will vest in April 2024 subject to achieving pre-established financial performance conditions, so long as you remain continuously employed with Broadridge through the vesting date. Under the current plan, PRSU awards can pay out between 0% to 150% of the applicable target PRSUs, based on the Company's achievement of its earnings per share financial goals over the two-year performance period.

- **Stock Options:** Grants are currently scheduled to be made annually in February of each year, with the number of options based on target values that are reviewed and approved annually by the Compensation Committee. Your fiscal year 2022 stock option grant will have a target value of approximately **$605,000** (as determined by the Compensation Committee), to be granted in February 2022. The exercise price per share of the stock options will be equal to the closing price of Broadridge stock on the date of grant, and the term of the stock option will be as set forth in the applicable stock option agreement. Under the current plan, this award will vest 25% per year over four years, so long as you remain continuously employed with Broadridge through the vesting dates, subject to the conditions set forth in the applicable award agreement.

You will receive award agreements that you will be expected to electronically accept shortly after the grant date, which will contain the full terms and conditions of these grants including exercise price (in the case of the stock options), vesting and termination provisions. Your receipt of these awards will be subject to your acceptance of certain restrictive covenants including non-competition, non-solicitation and confidentiality covenants included in the award agreements. The Company reserves the right to amend or terminate this equity program at any time.

Replacement Restricted Stock Unit ("*RSU*") Grants

In addition to the annual equity awards mentioned above, and in consideration of the awards you will forfeit with your current employer, subject to approval by the Compensation Committee, Broadridge management will recommend that Replacement RSU awards be made to you under the terms of the Omnibus Plan, with an expected aggregate target value of approximately **$4,200,000** (as determined by the Compensation Committee).

Subject to the approval of the Compensation Committee, a Replacement RSU award will be granted in August 2021. The grant will vest, subject to the conditions set forth in the award agreement, as follows:

- **$1,350,000** will vest on December 15, 2021;
- **$2,040,000** will vest on the first anniversary of the grant date; and
- **$810,000** will vest on the second anniversary of the grant date.

The number of Replacement RSUs awarded to you will be based on the average closing price of Broadridge common stock for the 30 days prior to the date the materials describing these awards are distributed to the Compensation Committee. You will receive a RSU agreement that you will be expected to electronically accept shortly after the grant date, which will contain the full terms and conditions of this grant. Your receipt of this award will be subject to your acceptance of certain restrictive covenants including non-competition, non-solicitation and confidentiality covenants included in the award agreement.

Note that the grant of the Replacement RSU award is contingent upon certain equity being forfeited at your current employer. In the event these circumstances change and these awards are not forfeited, the amounts noted above will decrease accordingly.

Benefits and Perquisites

Broadridge provides its executive officers with a qualified 401(k) plan, and health and welfare benefits on the same terms as those offered to other employees. You will also be eligible to participate in the Executive Auto Program which currently provides for a car allowance or lease in the approximate amount of **$15,000** per year.

You will be eligible to participate in the Broadridge Executive Retirement and Savings Plan ("***ERSP***"). The ERSP is a nonqualified retirement plan designed to complement Broadridge's 401(k) plan by providing additional tax-deferred savings and offering additional earnings opportunities on your investments. You will become eligible to elect salary and bonus deferrals into the ERSP on the first day of the quarter following your hire date. Once you have completed six months of service, you will become eligible to receive Company Contributions on compensation earned in excess of the IRS compensation limits.

In addition, the Broadridge Foundation, a charitable foundation established and funded by the Company, provides up to **$10,000** per calendar year in matching of charitable contributions made by executive officers to qualified tax-exempt organizations.

You are eligible to participate in the Executive Retiree Health Insurance Plan if you retire after you have attained the age of 55 and have been credited with at least 10 years of service. This plan is a post-retirement benefit plan pursuant to which the Company helps defray your health care costs until you reach the age of 65.

You will accrue up to 4 weeks of vacation and 3 personal holidays annually. In addition, there are generally 9 paid holidays per calendar year.

Confidentiality Agreement

In consideration of this offer of employment, you agree to execute the Employee Confidentiality Agreement attached to this letter as **Attachment A.**

Code of Business Conduct and Ethics

You will be subject to the requirements of the Code of Business Conduct and Ethics, as in effect from time to time. The current version of this Code is attached to this letter as **Attachment B.**

Change in Control Severance Plan and Officer Severance Plan

As an executive officer, you will be eligible to participate in the Change in Control Severance Plan (the "CIC Plan") and the Officer Severance Plan, as such plans may be in effect from time to time, if your employment terminates as set forth in the applicable plan documents. The CIC Plan currently provides executive officers of the Company protection in the event of a qualifying termination within the applicable protection period following a change in control of the Company. The Officer Severance Plan currently provides for severance benefits when an executive officer is terminated without "cause" as defined in the Officer Severance Plan (but without duplication of benefits under the CIC Plan).

Clawback Policy

As an executive officer, you will be subject to Broadridge's Clawback Policy, as in effect from time to time, which provides for reimbursement by an executive officer of all or part of cash or equity incentive-based compensation.

A copy of the current version of this policy is provided in **Attachment C** for your review.

Pre-Clearance and Insider Trading Policy and Prohibition on Hedging and Pledging

The Broadridge pre-clearance and insider trading policy recognizes that in the course of performing their duties, executive officers have access to Material Nonpublic Information relating to Broadridge or other companies (as defined in the policy) and sets out the restrictions on trading in securities while in possession of such information.

A copy of the current version of this policy is provided in **Attachment D** for your review.

Regulation FD Policy

The SEC's Regulation FD- Fair Disclosure requires that the Company provide fair disclosure of material nonpublic information concerning the Company and not provide any advantage to any particular securities market professional, analyst or investor. In that regard, our Regulation FD Policy provides that only the Chief Executive Officer, President, Chief Financial Officer, General Counsel and members of the Investor Relations staff are authorized to communicate on behalf of Broadridge to securities market professionals, analysts or investors, and also provides other requirements Broadridge employees are required to comply with in order to ensure Broadridge's compliance with Regulation FD.

A copy of the current version of this policy is provided in **Attachment E** for your review.

Stock Ownership and Retention and Holding Period Guidelines

The Company's stock ownership guidelines reinforce the goal of increasing Broadridge equity ownership in order to more closely align executive officer interests with those of our stockholders. Under the ownership guidelines, as currently in effect, you are expected to hold a number of shares of Broadridge common stock with a total equity value equal to at least two times your annual base salary. This calculation is performed as of June 30th each year.

A copy of the current version of this policy is provided in **Attachment F** for your review.

Section 409A

It is intended that this letter will comply with Section 409A of the Internal Revenue Code of 1986, as amended (the **"Code"**), and any regulations and guidelines promulgated thereunder (collectively, ***"Section 409A"***), to the extent this letter is subject thereto, and this letter shall be interpreted on a basis consistent with such intent. Notwithstanding any provision to the contrary, if you are deemed on the date of your "separation from service" (within the meaning of Treas. Reg. Section 1.409A-1(h)) with Broadridge to be a "specified employee" (within the meaning of Treas. Reg. Section 1.409A-1(i)), then with regard to any payment or benefit under any severance, deferred compensation or other plan, program or arrangement of Broadridge or its affiliates that is considered deferred compensation under Section 409A payable on account of a "separation from service" that is required to be delayed pursuant to Section 409A(a)(2)(B) of the Code (after taking into account any applicable exceptions to such requirement), such payment or benefit shall be made or provided on the date that is the earlier of (i) the expiration of the six (6)-month period measured from the date of your "separation from service," or (ii) the date of your death (the ***"Delay Period"***).
Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this paragraph (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to you in a lump sum and any remaining payments and benefits due will be paid or provided in accordance with the normal payment dates specified for them. With respect to any reimbursement or in-kind benefit arrangements of Broadridge and its subsidiaries that constitute deferred compensation for purposes of Section 409A, except as otherwise permitted by Section 409A, the following conditions shall be applicable: (i) the amount eligible for reimbursement, or in-kind benefits provided, under any such arrangement in one calendar year may not affect the amount eligible for reimbursement, or in-kind benefits to be provided, under such arrangement in any other calendar year (except that the health and dental plans may impose a limit on the amount that may be reimbursed or paid), (ii) any reimbursement must be made on or before the last day of the calendar year following the calendar year in which the expense was incurred, and (iii) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit. Whenever payments under this letter are to be made in installments, each such installment shall be deemed to be a separate payment for purposes of Section 409A.

Notwithstanding any provision of this letter to the contrary, for purposes of any provision of this letter providing for the payment of any amounts or benefits upon or following a termination of employment that are considered deferred compensation under Section 409A, references to your "termination of employment" (and corollary terms) with Broadridge shall be construed to refer to your "separation from service" (within the meaning of Treas. Reg. Section 1.409A-1(h)) with Broadridge. In no event whatsoever shall Broadridge or its affiliates be liable for any additional tax, interest or penalties that may be imposed on you by Section 409A or any damages for failing to comply with Section 409A.

Terms

Any cash incentive awards, bonuses, equity awards, and benefits described in this letter are subject to the terms and conditions of the applicable plan documents and award agreements. Compensation of the Company's executive officers including any cash incentive awards, bonus payments and equity grants is subject to approval of the Compensation Committee, is not guaranteed and is subject to change or modification, elimination and/or replacement by an alternate program due to business conditions.

Your employment is "at will." This means that your employment is for no definite period of time, and either you or the Company may terminate your employment at any time, with or without cause or notice. You agree that you will comply with the terms of all written codes of conduct and policies adopted by the Company, including without limitation, the Broadridge Code of Business Conduct and Ethics, as such codes and policies are in effect from time to time.

In accordance with our policy, this offer is contingent upon successfully meeting our pre-employment conditions involving a drug test, criminal background check and verification of employment with your previous and current employer(s). Please advise Broadridge once you have given notice. Enclosed you will find several items which outline our pre-employment screening process.

You will also receive the I-9 form required by the U.S. Government. In order to comply with the Immigration Reform and Control Act of 1986, you will need to provide documents that establish your identity and authorization to work in the United States. Please review the I-9 form for a list of acceptable documents and have these documents available on your first day of employment. In the interim, should you have any questions, please contact Yasmin Alberto at Yasmin.Alberto@broadridge.com.

You hereby represent and warrant to the Company that (a) the execution, delivery and performance of this letter by you does not and will not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which you are a party or by which you are bound, and (b) you are not a party to, or bound by, any employment agreement, noncompetition agreement, non-solicitation agreement, confidentiality agreement or similar agreement with any other person or entity. Please be reminded that Broadridge does not want you to use or bring with you at any time, any confidential information, trade secrets and/or proprietary information from any of your former employers.

This letter and the attachments referenced herein constitute the complete understanding between you and the Company concerning the subject matter(s) addressed, and they supersede any prior oral or written understanding regarding the terms and conditions of your employment with Broadridge. No oral modifications to the commitments made herein shall be valid. Any changes to these terms must be in writing and signed by you and an authorized representative of Broadridge.

The amount of any payment made to you by Broadridge will be reduced by any required taxes, withholdings, and other authorized employee deductions as may be required by law or as you have elected under the applicable benefit plans.

If any provision of this letter is invalid or unenforceable, the balance of this letter shall remain in effect. This letter shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to the principles of conflict of laws thereof. Unless settlement of a dispute by arbitration is otherwise provided for in an applicable plan or agreement (which arbitration provision shall apply), any lawsuits arising out of or in connection with this letter shall be brought in the Supreme Court of New York, New York County, or in the Federal District Court for the Southern District of New York. Each party hereby consents to the jurisdiction and venue of such courts. You acknowledge that the terms of this letter are reasonable and that you have had a reasonable opportunity to consult with an attorney before agreeing to the terms of this letter.

We think you will find Broadridge to be an exciting and dynamic place to work. We hope that you will consider our offer carefully and make the decision to join our team at Broadridge

Sincerely,

/s/ Tim Gokey

Tim Gokey
Chief Executive Officer

I accept the offer as stated above:

/s/ Keir Gumbs

Keir Gumbs

Date June 10, 2021

EXHIBIT 10.2

NOTE: CERTAIN IDENTIFIED INFORMATION IN THIS AGREEMENT HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED. SUCH PORTIONS HAVE BEEN REDACTED AND ARE MARKED WITH A "[****]" IN PLACE OF THE REDACTED LANGUAGE.

NOVATION AGREEMENT

This Novation Agreement (this "Novation Agreement"), dated July 28, 2021, is entered into by and among **International Business Machines Corporation** (" Transferor"), **Kyndryl, Inc.** (" Kyndryl" or "Transferee"), and **Broadridge Financial Solutions, Inc.** ("Customer"). Transferor, Transferee and Customer are collectively referred to herein as the "Parties" and individually as a "Party". Any capitalized terms used but not defined herein shall have the meanings given to such terms in: (A) prior to the Transfer Date, the Old Services Agreements, and (B) on or after the Transfer Date, the New Agreements, in each case, as hereinafter defined.

WHEREAS, on October 8, 2020, Transferor announced its intention to separate the Infrastructure Services unit from its Global Technology Services division and move such Infrastructure Services unit into Transferee, which will ultimately become a new publicly traded company;

WHEREAS, as a preliminary step in this separation, in all jurisdictions where Transferor provides services to Customer under the Old Services Agreement, Kyndryl shall commence operations as a wholly owned Transferor affiliate as of September 1, 2021 (the "Transfer Date");

WHEREAS, Transferee will then be spun out of Transferor and become a separate, publicly traded company (the "Spin") on a date to be announced (the "Spin Date");

WHEREAS, Transferor and Customer are parties to:

(1) 2019 Master Services Agreement, made and entered into as of December 31, 2019 (together with all exhibits, attachments, and amendments thereto, the "MSA");

(2) Amended and Restated 2019 Information Technology Services Agreement, made and entered into as of December 31, 2019 (together with all exhibits, attachments and amendments thereto, the "A&R ITSA"); and

(3) Broadridge Vendor GDPR Annex - Compliance with the EU General Data Protection Regulation, dated June 14, 2018, as amended (the "GDPR Annex").

The above agreements are hereafter collectively referred to as the "Old Services Agreements" pursuant to which Transferor provides certain information technology services to Customer.

WHEREAS, in connection with the Spin, Transferor intends to transfer by novation all of its rights, liabilities, duties and obligations under the Old Services Agreements to Transferee and Transferee intends to accept the transfer by novation of all such rights, liabilities, duties and obligations, as of the Transfer Date.

NOW, THEREFORE, in consideration of the representations, warranties, promises and covenants contained herein, and other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

1. Effective as of the Transfer Date: (a) Transferor hereby novates to Transferee all of its rights, title and interests and duties, liabilities and obligations in, to and under and the Old Services Agreements, thereby replacing the Old Services Agreements with new agreements that duplicate each of the Old Services Agreements (as hereby amended) in its entirety, except Transferee is a party in place of Transferor (collectively, the "New Agreements"); (b) Transferee hereby expressly accepts all such rights, title and interests and assumes and agrees to be bound by and to perform all of the duties, liabilities and obligations of Transferee under the New Agreements. All references in the New Agreements to "International Business Machines Corporation" (or "IBM") (except for any new references to IBM added to the New Agreements pursuant to this Novation Agreement) shall be deemed from and after the Transfer Date to be references to "Kyndryl, Inc." (or "Kyndryl"). Customer's contractual relationship under the New Agreements will, as of the Transfer Date, be between Customer and Transferee instead of Transferor.

2. Notwithstanding anything to the contrary herein or in the New Agreements, as a material inducement for Customer to enter into this Novation Agreement, in consideration of which Transferor will receive substantial benefit, but only during the period from the Transfer Date to the Spin Date, Transferor hereby agrees that it shall be jointly and severally liable for the performance of all obligations, duties and liabilities of Transferee under the New Agreements.

3. Transferor and Transferee each represents and warrants that: (a) on or before the Transfer Date, Transferee shall: (i) commence operations as a wholly owned Transferor affiliate in in all jurisdictions where Transferee provides services to Customer under the New Agreements, and (ii) the entire portion of Transferor's business that provides any services to Customer under the Old Services Agreements shall be transferred to Transferee (except for services which are still provided by the Transferor pursuant to Section 8 herein); (b) as of the Transfer Date, Transferee shall be adequately capitalized to meet or exceed all duties, liabilities and obligations under all of Transferee's respective contracts with Customer and third parties; (c) the security,

controls, infrastructure, software, processes and personnel used by Transferee to provide the services to Customer under the New Agreements shall be the same or better than the security, controls, infrastructure, software, processes and personnel used by Transferor to provide the services to Customer under the Old Services Agreements; and (d) Transferee shall comply in a timely and thorough manner with the applicable requirements of Customer's enterprise vendor management program.

4. Solely during the period from the Transfer Date to the Spin Date, Transferor and Transferee shall jointly and severally indemnify, defend and hold Customer harmless from and against any breach of Section 3 herein. From and after the Spin Date, Transferee shall indemnify, defend and hold Customer harmless from and against any breach of Section 3 herein.

5. Customer consents to the novation of the Old Services Agreements (as hereby amended) from Transferor to Transferee.

6. On the Transfer Date, Transferor hereby releases and forever discharges Customer from all of Customer's duties, liabilities and obligations under the New Agreements.

7. On the Spin Date, except for claims based on fraud, gross negligence or willful misconduct, Customer hereby releases and forever discharges Transferor from any breach of contract claims solely under the New Agreements. Notwithstanding the foregoing and for the avoidance of doubt, the release in this Section 7 only applies to breach of contract claims under the New Agreements, and applies neither to claims based on any other agreement, including, without limitation, the Novation Agreement, nor to claims against Transferor for damages incurred by Customer based on any other legal theory.

8. Subject to Section 9 herein, Customer agrees that Transferee may engage Transferor as a subcontractor to perform only the following services listed and detailed in this Section 8, under the New Agreements from and after the Transfer Date, in each case, solely from the applicable Service Location(s) (as defined in the MSA or A&R ITSA, as applicable): (a) product maintenance services; (b) public cloud services provided under the MSA (as defined in SOW PC-20-0034, dated September 30, 2020, and the following amendments of the MSA: Amendment No. 6, Amendment No. 7 and Amendment No. 10); (c) Security services (as defined in Attachment 2-B (Managed Network Services) (solely with respect to the firewall network devices), and Attachment 2-G (Enterprise Security Services), under both the MSA and the A&R ITSA. For the avoidance of doubt, other than the foregoing services listed in this Section 8, Transferee must obtain Customer's prior written consent pursuant to the New Agreements to subcontract any services performed under the New Agreements to Transferor.

9. Notwithstanding anything to the contrary in the New Agreements or herein, Transferor and Transferee hereby agree that the agreement between them

governing Transferor's provision of the services to Customer on behalf of Transferee shall: (a) contain provisions at least materially equivalent to those contained in the New Agreements that shall enable Transferee to comply with Transferee's obligations under the New Agreements; and (b) in connection with any services under the New Agreements performed by Transferor and the locations where such services are performed: (i) require Transferor to comply with all information security and architecture, audit, inspection, data, data processing, data protection and other material provisions under the New Agreements (as if Transferor were Supplier under the New Agreements, and such locations were Service Locations owned or leased by Supplier under the New Agreements), and (ii) permit Customer to exercise directly against Transferor, all information security and architecture, audit, inspection, data, data processing, data protection and other material provisions under the New Agreements (as if Transferor were Supplier under the New Agreements, and such locations were Service Locations owned or leased by Supplier under the New Agreements).

10. **Attachment A** attached hereto and made a part hereof sets forth amendments to the Old Services Agreements that together with the Old Services Agreements, constitute the New Agreements.

11. Promptly after the Transfer Date, Transferor and Transferee shall, at their sole cost and expense, cooperate with Customer, as requested by Customer in responding to Customer's clients' questions about the foregoing to such clients' reasonable satisfaction.

12. Transferor will provide Customer with at least seven (7) days' written notice prior to the Spin Date.

13. All liability arising under or relating to this Novation Agreement shall be determined and resolved in accordance with: (a) prior to the Transfer Date, the Old Services Agreements, and (b) on or after the Transfer Date, the New Agreements.

14. Any invoice received by Customer from Transferor for services rendered under the Old Services Agreements prior to the Transfer Date should be paid according to the terms of the invoice. Transferee shall provide Customer with further written information to enable Customer to make other payments directly to Transferee.

15. Effective as of the Transfer Date and subject to Section 9 herein, Transferee shall be the processor of personal data under the New Agreements, including under any data processing agreements in the New Agreements and in respect of any business contact information Transferor collected in connection with providing services to Customer under the Old Services Agreements. In addition, subject to Section 9 herein, Transferee may engage as subprocessors, Transferee's Affiliates pre-approved in writing by Customer and Transferor (solely with respect to the services set forth in Section 8 herein) under the New Agreement. Following the Spin Date, Transferee's subprocessors

that are located in non-adequate countries shall be considered Data Importers under the EU Standard Contractual Clause attached to the applicable data processing agreement.

16. Transferor, Transferee and Customer each represents and warrants and covenants to the other that: (a) it has full power and authority to enter into this Agreement and to consummate (or to consent to, in the case of Customer) the transactions contemplated hereby; (b) the execution and delivery of this Novation Agreement have been duly authorized by all necessary action on the part of such Party; and (c) this Novation Agreement constitutes a valid and binding agreement and obligation of each Party, enforceable against such Party in accordance with its terms.

17. This Novation Agreement, together with the Old Services Agreements and the New Agreements, are the complete agreement between the Parties and replace any prior oral and/or written communications between the Parties concerning this subject matter, and no Party has relied or is relying upon any representation made by or on behalf of the other that is not specified in the foregoing agreements. This Novation Agreement shall be binding upon and inure to the benefit of each of the Parties and their respective successors and assigns.

18. This Novation Agreement shall apply the governing law and jurisdiction provisions from: (a) if prior to the Transfer Date, the Old Services Agreements, and (b) if on or after the Transfer Date, the New Agreements.

19. This Novation Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together will constitute one and the same instrument, and signatures may be exchanged electronically and shall be deemed originals. Any copy of this Novation Agreement made by reliable means is considered an original.

IN WITNESS WHEREOF, the Parties have executed this Novation Agreement as of the day and year first above written.

TRANSFEROR:

International Business Machines Corporation

By:_/s/Loyd Simpson________________

Name:_Loyd Simpson________________

Title:___Global Client Partner Executive__

Date: 7/28/2021

TRANSFEREE:
Kyndryl, Inc.

By:___/s/ Rick Ruiz________________

Name:Rick Ruiz________________

Title:__GM, Kyndryl Project Office___

Date: 7/28/2021

CUSTOMER:
Broadridge Financial Solutions, Inc.

By:/s/Michael Synn_______________

Name:Michael Synn_______________

Title:_____________________________

Date: 7/28/2021

Broadridge Financial Solutions, Inc.

By:/s/Pierce Greene_____________

Name:__Pierce Greene______________

Title:_____________________________

Date: 7/28/2021

ATTACHMENT A

Effective as of the Transfer Date:

1. Section 29.11 (Notices) of the MSA, is amended to update the notification information for the Supplier as follows:

The initial notification information for each Contracting Party is:

For Supplier:

Kyndryl, Inc.
One Vanderbilt Avenue, 15th Floor
New York, NY 10017
Attention: Vice President, Financial Services

with a copy to:

Kyndryl, Inc.
One Vanderbilt Avenue, 15th Floor
New York, NY 10017
Attention: General Counsel

Customer shall pay Supplier (i.e., Transferee) the Fees for the Services invoiced in accordance with the MSA (as hereby amended) and the A&R ITSA (as hereby amended), in accordance with the banking information supplied to Customer's Enterprise Vendor Management group.

2. The Parties agree that the name of the MSA is hereby modified from "2019 Master Services Agreement" to "Private Cloud Information Technology Services Agreement".

3. [****]

4. Notwithstanding anything to the contrary in the MSA or the A&R ITSA: (a) the EBA Financial Services Addendum attached as Appendix B hereto and made a part hereof (the "EBA Addendum") applies to each of the MSA and the A&R ITSA where Customer uses the Services to perform outsourcing that is subject to the regulatory oversight of the Regulator (as defined in the EBA Addendum) under Applicable Law (as defined in the EBA Addendum) as long as Customer or Customer's End User (as defined in the EBA Addendum) is a Regulated Entity (as defined in the EBA Addendum) and is subject to oversight by the Regulator in relation to any Services being consumed under the MSA or A&R ITSA, as applicable; and (b) to the extent any requirement set forth in either the MSA or the A&R ITSA prior to the Transfer Date conflicts with any requirement set forth in the EBA Addendum, then the more stringent requirement shall apply on and after the Transfer Date.

Appendix B

EBA FINANCIAL SERVICES ADDENDUM

1. **Definitions**. The following definitions apply to this EBA Addendum:

"Applicable Law" means the applicable laws and regulations administered by the Regulator in connection with Regulated Entity's use of the Kyndryl Services.

"BRRD" means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms and any valid laws which give effect to its provisions under Applicable Law.

"EBA Guidelines" means EBA/GL/2019/02, "Guidelines on outsourcing", published by the European Banking Authority on 25 February 2019, or any successor or update thereto (subject to such successor or update being in force).

"End User" means any client of the Customer or any service recipient of services provided by the Customer to such client.

"Notice" means any notice provided in accordance with the Agreement.

"Regulated Entity" means the Customer or the Customer's End User if and so long as: (i) such entity is regulated by or subject to oversight by the Regulator; and (ii) such entity is either (A) an "institution" as defined in Article 4(1)(3) of Regulation (EU) No 575/2013, (B) a "payment institution" as defined in Article 4(4) of Directive (EU) 2015/2366 or "electronic money institution" as defined in Article 2(1) of Directive 2009/110/EC, in each case provided such entity subject to the EBA Guidelines, or (C) otherwise subject to the EBA Guidelines pursuant to Applicable Law.

"Regulator" means a government, regulatory body, or competent authority in the European Economic Area, with binding authority to regulate Regulated Entity's financial services activities.

"Resolution Authority" has the meaning as set out in Article 2 of the BRRD.

"Special Resolution Event" means, with respect to a BRRD Institution, the occurrence of an insolvency, resolution, or other similar proceeding or event, including pursuant to recovery and resolution, special administration, special resolution regime or analogous applicable laws or regulations.

"Sub-outsourcing" means a situation where Kyndryl further transfers its obligations to provide the Services under the Agreement to another service provider.

All capitalized terms used but not defined in this Addendum have the same means ascribed to them in the Agreement (as hereby amended).

2. **Information Security Program.** The parties agree that Kyndryl has, pursuant to the Private Cloud Information Technology Services Agreement and the A&R ITSA, implemented and will maintain an information and security program which is designed to provide at least the same level of protection as evidenced by:

- the Kyndryl security controls verified by Kyndryl's appropriately skilled and knowledgeable external auditors in its then-current System Organization Controls 1, Type 2 report (the "Report"); and
- its then-current certification under ISO 27001 (the "Certifications")

or, in each case, such alternative industry standard reports or certifications that are its successor or reasonable alternative (provided that they are at least as protective as the standards set out above) as determined by the Parties (together, the "Kyndryl Information Security Program").

Kyndryl shall provide to Customer and End Users, at Customer's request and no additional charge, copies of Kyndryl's Report and Certifications. Customer may by Notice submit requests for the expansion of scope of Certifications and the Report, and the Parties shall agree on the scope of such expansion.

3. Right of Access and Audit.

a. Kyndryl agrees to provide the Regulated Entity (which, as defined below, could be either Customer or the Customer's End User), the Regulator and the Resolution Authority (each a "Requester") with:

   i. full access to its relevant business premises (e.g., head offices and operations centers), including the full range of relevant devices, systems, networks and data used for providing the services outsourced, including related financial information, personnel and Kyndryl's external auditors; and

   ii. unrestricted rights of inspection and auditing related to the Services used by Customer to enable the Requester to monitor the Services and to ensure compliance with all applicable regulatory and contractual requirements.

   (3.a.i. and ii. are collectively the "Right of Access and Audit").

b. The Requester will exercise the Right of Access and Audit and Kyndryl will cooperate with the Requester in accordance with the following stipulations in the EBA Guidelines:

   i. The Requester will exercise the Right of Access and Audit in a proportional manner, taking into account the complexity of the Services used by Customer, the risks arising from the Services used by Customer, the criticality or importance of the Services used by Customer, and the potential impact of the Services on the continuity of Customer's activities.

   ii. The Requester shall adhere to relevant, commonly accepted, national and international audit standards.

   iii. The Requester can appoint a third party to exercise the Right of Access and Audit. The Requester or such third party shall have the appropriate and relevant skills and knowledge to perform the audit effectively.

iv. If the Requester's exercise of the Right of Access and Audit could, in Kyndryl's reasonable opinion, create a risk for another Kyndryl customer's environment (e.g., impact on service levels, availability of data, and confidentiality), Requester and Kyndryl shall agree on a way to address the request that provides Requester a similar level of assurance which ensures that risks to another Kyrndryl customer's environment are avoided or mitigated.

v. Where sufficient to comply with the Requester's regulatory obligations, the Requester shall perform the audit by: (i) requesting Kyndryl to provide it with copies of Certifications and the Report; or (ii) if Kyndryl has implemented a process for pooled audits, through a pooled audit conducted in cooperation with other Kyndryl clients in accordance with such process.

c. Kyndryl acknowledges that nothing in this EBA Addendum will limit or restrict relevant Regulators' or Resolution Authorities' information gathering and investigatory powers under article 63(1)(a) of Directive 2014/59/EU and article 65(3) of Directive 2013/36/EU. Kyndryl's customer audit policies will not apply to the Right of Access and Audit described in this Section 3. If there is a conflict between this Section 3 and another Section of the Agreement, the terms of this Section 3 will control.

4. **Performance Reporting.** In addition to any reporting requirements in the Agreement, Kyndryl shall provide ongoing reporting in writing to Customer of developments that may have a material impact on Kyndryl's ability to provide the Services.

5. **Sub-outsourcing.**

a. No Sub-outsourcing of any material portion of the Services is permitted under the Agreement without Customer's prior written consent in each instance.

b. For any Sub-outsourcing, Kyndryl shall:

i. perform due diligence on the proposed sub-contractor;

ii. enter into a written agreement with such sub-contractor which requires such sub-contractor to comply with all Applicable Laws and relevant contractual obligations of Kyndryl under the MSA (as hereby amended) or the A&R ITSA (as hereby amended), as applicable; and

iii. oversee such sub-contractor in line with the terms of the MSA (as hereby amended) or the A&R ITSA (as hereby amended), as applicable.

6. **Compliance with Laws and Protection of Data.** Kyndryl will comply with all legal requirements regarding the protection of data that are applicable to it and binding on it in the performance of the Services, including, where applicable, requirements relating to protection of personal data, banking secrecy or similar confidentiality duties.

7. **Data Retrieval.** Without limiting any rights under the Agreement, in the event that Kyndryl: (a) is declared bankrupt or in liquidation (or equivalent), (b) is dissolved or wound up, or (c) discontinues its entire business operations of providing the Services (except as the result of any assignment permitted under the Agreement), Customer will have the immediate right to retrieve all data of Customer and End Users unless prohibited by law or the order of a governmental or regulatory body or insolvency practitioner (or equivalent).

8. **Resolution and the BRRD.**

   a. This Section 6 applies to Regulated Entities that are subject to the requirements of the BRRD as implemented under Applicable Law (each a "BRRD Institution").
   b. Kyndryl acknowledges that when a BRRD Institution is taken into resolution, the BRRD Institution will be subject to a range of powers exercisable by the designated Resolution Authority, including pursuant to Articles 68 and 71 of the BRRD. In the event that a BRRD Institution is taken into resolution in accordance with the BRRD, Kyndryl shall comply with all laws applicable to it in relation to that resolution and, if so requested in writing, will cooperate in good faith with the Resolution Authority (but without prejudice to any rights or remedies Kyndryl has under the Agreement) regarding any concerns in respect of the ongoing provision of the Services to Customer.
   c. Kyndryl acknowledges that the occurrence of a Special Resolution Event does not, in and of itself, constitute a material breach giving rise to Kyndryl's termination for cause rights with respect to the Agreement, provided that the Customer continues to fulfill its substantive obligations under the Agreement (as such term is understood for the purposes of Article 68 of the BRRD), including payment obligations.

9. **Confidentiality.** Any information, responses and documentation provided by Kyndryl or by Customer in connection with this EBA Addendum ("Confidential Compliance Information") will be treated as confidential information of the party owning it and will be provided to the recipient pursuant to confidentiality obligations reasonably acceptable to the party owning the Confidential Compliance Information (which, in case of the Regulator, means confidentiality obligations set out under applicable law) and will not be disclosed by the recipient, except that Confidential Compliance Information may be disclosed to (a) the Regulator, provided that the Customer obtains confidential treatment or similar protections, (b) the Customer, provided that all Confidential Compliance

Information of Kyndryl will be treated as confidential information of Kyndryl under the Agreement and this EBA Addendum, and (c) the End Users which are Regulated Entities. Notwithstanding anything to the contrary in the Agreement, other Confidential Compliance Information of Kyndryl (excluding the Report, Certifications and any other information from, referring to or otherwise included in the Kyndryl Information Security Program) may be disclosed by Customer to End Users which are Regulated Entities.

10. The Parties agree that they may have to modify parts of this EBA Addendum to accommodate access to, and audit of, a Public Cloud environment.

EXHIBIT 10.3

NOTE: CERTAIN IDENTIFIED INFORMATION IN THIS AGREEMENT HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED. SUCH PORTIONS HAVE BEEN REDACTED AND ARE MARKED WITH A "[****]" IN PLACE OF THE REDACTED LANGUAGE.

NOVATION AGREEMENT

This Novation Agreement (this "Novation Agreement"), dated August 19, 2021, is entered into by and among **IBM United Kingdom Limited** (" Transferor"), **Kyndryl UK Limited** (" Kyndryl" or "Transferee"), and **Broadridge Financial Solutions Limited** ("Customer"). Transferor, Transferee and Customer are collectively referred to herein as the "Parties" and individually as a "Party". Any capitalized terms used but not defined herein shall have the meanings given to such terms in: (A) prior to the Transfer Date, the Old Service Agreement, and (B) on or after the Transfer Date, the New Agreement, in each case, as hereinafter defined.

WHEREAS, on October 8, 2020, Transferor announced its intention to separate the Infrastructure Services unit from its Global Technology Services division and move such Infrastructure Services unit into Transferee, which will ultimately become a new publicly traded company;

WHEREAS, as a preliminary step in this separation, in all jurisdictions where Transferor provides services to Customer under the Old Service Agreement, Kyndryl shall commence operations as a wholly owned Transferor affiliate as of September 1, 2021 (the "Transfer Date");

WHEREAS, Transferee will then be spun out of Transferor and become a separate, publicly traded company (the "Spin") on a date to be announced (the "Spin Date");

WHEREAS, Transferor and Customer are parties to the Information Technology Services Agreement, made and entered into as of March 22, 2014 and amended and restated on December 02, 2019 together with all exhibits, attachments, and amendments thereto, and all statements of work made pursuant to it (the "ITSA") also referred to hereafter as the "Old Service Agreement" pursuant to which Transferor provides certain information technology services to Customer;

WHEREAS, in connection with the Spin, Transferor intends to transfer by novation all of its rights, liabilities, duties and obligations under the Old Service Agreement to Transferee and Transferee intends to accept the transfer by novation of all such rights, liabilities, duties and obligations, as of the Transfer Date

WHEREAS, the Parties have agreed to make certain amendments to the ITSA as set out in the Attachments to this Novation Agreement.

NOW, THEREFORE, in consideration of the representations, warranties, promises and covenants contained herein, and other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

1. Effective as of the Transfer Date: (a) Transferor hereby novates to Transferee all of its rights, title and interests and duties, liabilities and obligations in, to and under the Old Service Agreement, thereby replacing the Old Service Agreement with a new agreement that duplicates the Old Service Agreement (as hereby amended) in its entirety, except Transferee is a party in place of Transferor (collectively, the "New Agreement"); (b) Transferee hereby expressly accepts all such rights, title and interests and assumes and agrees to be bound by and to perform all such duties, liabilities and obligations under the New Agreement. All references in the New Agreement to "IBM United Kingdom Limited" (or "IBM") (except for any new references to IBM added to the New Agreement pursuant to this Novation Agreement, or where IBM is referred to in its capacity as a Subcontractor to the Transferee) shall be deemed from and after the Transfer Date to be references to "Kyndryl UK Limited" (or "Kyndryl"). Customer's contractual relationship under the New Agreement will, as of the Transfer Date, be between Customer and Transferee instead of Transferor. Customer may enforce the duties, liabilities and obligations of the Transferor in, to and under the Old Service Agreement and pursue any claims and demands under or in connection with the Old Service Agreement, against the Transferee, whether arising before, on or after the Transfer Date, as though the Transferee were the original party to the Old Service Agreement instead of the Transferor.

2. Notwithstanding anything to the contrary herein or in the New Agreement, as a material inducement for Customer to enter into this Novation Agreement, in consideration of which Transferor will receive substantial benefit, but only during the period from the Transfer Date to the Spin Date, Transferor hereby agrees that it shall be jointly and severally liable for the performance of all obligations, duties and liabilities of Transferee under the New Agreement.

3. Transferor and Transferee each represents and warrants that: (a) on or before the Transfer Date, Transferee shall: (i) commence operations as a wholly owned Transferor affiliate in all jurisdictions where Transferee provides services to Customer under the New Agreement, and (ii) the entire portion of Transferor's business that provides any services to Customer under the Old Service Agreement shall be transferred to Transferee (excluding that part of the business for services which are still provided by the Transferor pursuant to Section 8 herein, which services the Transferor shall provide as a Subcontractor to the Transferee under the New Agreement); (b) as of the Transfer Date, Transferee shall be adequately capitalized to meet or exceed all duties, liabilities and obligations under all of Transferee's respective contracts with Customer and third parties; (c) the security, controls, infrastructure, software, processes and personnel used by Transferee to provide the services to Customer under the New Agreement shall be the same or better than the security, controls, infrastructure, software, processes and personnel used by Transferor to provide the services to Customer under the Old Service Agreement; and (d) Transferee shall comply in a timely and thorough manner with the applicable requirements of Customer's enterprise vendor management program.

4. Solely during the period from the Transfer Date to the Spin Date, Transferor and Transferee shall jointly and severally indemnify, defend and hold Customer harmless from and against any breach of Section 3 herein. From and after the Spin Date, Transferee shall indemnify, defend and hold Customer harmless from and against any breach of Section 3 herein.

5. Customer consents to the novation of the Old Service Agreement (as hereby amended) from Transferor to Transferee.

6. On the Transfer Date, Transferor hereby releases and forever discharges Customer from all of Customer's duties, liabilities and obligations and from all claims and demands by the Transferor under or in connection with the Old Service Agreement and the New Agreement.

7. On the Spin Date, except for claims based on fraud, gross negligence or willful misconduct, Customer hereby releases and forever discharges Transferor from any breach of contract claims solely under the New Agreement. Notwithstanding the foregoing and for the avoidance of doubt, the release in this Section 7 only applies to breach of contract claims under the New Agreement, and applies neither to claims based on any other agreement, including, without limitation, the Novation Agreement, claims against Transferee in respect of the acts or omissions of IBM United Kingdom Limited acting as a Subcontractor under the New Agreement, nor to claims against Transferor for damages incurred by Customer based on any other legal theory.

8. Subject to Section 9 herein, Customer agrees that Transferee may engage Transferor as a subcontractor to perform only the following services listed and detailed in this Section 8, under the New Agreement from and after the Transfer Date, in each case, solely from the applicable Support Service Location(s): (a) Managed Firewall Service; (b) Managed NIDS; (c) SRD File Transfer Service (all as defined in the ITSA). For the avoidance of doubt, other than the foregoing services listed in this Section 8, Transferee must obtain Customer's prior written consent pursuant to the New Agreement to subcontract any services performed under the New Agreement to Transferor.

9. Notwithstanding anything to the contrary in the New Agreement or herein, Transferor and Transferee hereby agree that the agreement between them governing Transferor's provision of the services to Customer on behalf of Transferee shall: (a) contain provisions at least materially equivalent to those contained in the New Agreement that shall enable Transferee to comply with Transferee's obligations under the New Agreement; and (b) in connection with any services under the New Agreement performed by Transferor and the locations where such services are performed: (i) require Transferor to comply with all information security and architecture, audit, inspection, data, data processing, data protection and other material provisions under the New Agreement (as if Transferor were Supplier under the New Agreement, and such locations were Service Locations owned or leased by Supplier under the New Agreement), and (ii) permit Customer to exercise directly against Transferor, all information security and architecture, audit, inspection, data, data processing, data protection and other material provisions under the New Agreement (as if Transferor were Supplier under the New

Agreement, and such locations were Service Locations owned or leased by Supplier under the New Agreement).

10. **<u>Attachments A, B C and D</u>** attached hereto and made a part hereof set forth amendments to the Old Service Agreement that together with the Old Service Agreement, constitute the New Agreement.

11. Promptly after the Transfer Date, Transferor and Transferee shall, at their sole cost and expense, cooperate with Customer, as requested by Customer in responding to Customer's clients' questions about the foregoing to such clients' reasonable satisfaction.

12. Transferor will provide Customer with at least seven (7) days' written notice prior to the Spin Date.

13. All liability arising under or relating to this Novation Agreement shall be determined and resolved in accordance with: (a) prior to the Transfer Date, the Old Service Agreement, and (b) on or after the Transfer Date, the New Agreement.

14. Any invoice received by Customer from Transferor for services rendered under the Old Service Agreement prior to the Transfer Date should be paid according to the terms of the invoice. Transferee shall provide Customer's enterprise vendor management group with further written information to enable Customer to make other payments directly to Transferee.

15. Effective as of the Transfer Date and subject to Section 9 herein, Transferee shall be the processor of personal data under the New Agreement, including under any data processing agreements in the New Agreement and in respect of any business contact information Transferor collected in connection with providing services to Customer under the Old Service Agreement. In addition, subject to Section 9 herein, Transferee may engage as subprocessors, Transferee's Affiliates pre-approved in writing by Customer and Transferor (solely with respect to the services set forth in Section 8 herein) under the New Agreement. Following the Spin Date, Transferee's subprocessors that are located in non-adequate countries shall be considered Data Importers under the EU Standard Contractual Clause attached to the applicable data processing agreement.

16. Transferor, Transferee and Customer each represents and warrants and covenants to the other that: (a) it has full power and authority to enter into this Agreement and to consummate (or to consent to, in the case of Customer) the transactions contemplated hereby; (b) the execution and delivery of this Novation Agreement have been duly authorized by all necessary action on the part of such Party; and (c) this Novation Agreement constitutes a valid and binding agreement and obligation of each Party, enforceable against such Party in accordance with its terms.

17. This Novation Agreement, together with the Old Service Agreement and the New Agreement, are the complete agreement between the Parties and replace any prior oral and/or written communications between the Parties concerning this subject matter, and no Party has

relied or is relying upon any representation made by or on behalf of the other that is not specified in the foregoing agreements. This Novation Agreement shall be binding upon and inure to the benefit of each of the Parties and their respective successors and assigns.

18. This Novation Agreement shall apply the governing law and jurisdiction provisions from: (a) if prior to the Transfer Date, the Old Service Agreement, and (b) if on or after the Transfer Date, the New Agreement.

19. This Novation Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together will constitute one and the same instrument, and signatures may be exchanged electronically and shall be deemed originals. Any copy of this Novation Agreement made by reliable means is considered an original.

IN WITNESS WHEREOF, the Parties have executed this Novation Agreement as of the day and year first above written.

TRANSFEROR:

IBM United Kingdom Limited

By: /s/ Brian Farr

Name: Brian Farr

Title: Vice President, Infrastructure Services

TRANSFEREE:

Kyndryl UK Limited

By: /s/ Karen Berry

Name: Karen Berry

Title: Director

CUSTOMER:
Broadridge Financial Solutions Limited

By: /s/ David Kelly

Name: David Kelly

Title: Group Finance Director

Attachment A

Effective as of the Transfer Date:

1. Section 29.11 (Notices) of the ITSA, is amended to update the notification information for the Supplier as follows:

For Supplier:

Kyndryl UK Limited
100 Liverpool Street,
London,
EC2M 2RH
Attention:

with a copy to:

Kyndryl UK Limited
100 Liverpool Street,
London,
EC2M 2RH Attention: General Counsel

2. With effect from the Transfer Date:
   a. for the Dedicated Environment, the Service Locations will transfer from IBM United Kingdom Limited to Kyndryl UK Limited;
   b. there is no change to the Service Locations for the Managed Cloud Environment;
   c. the IBM Support Service Locations will all move to Kyndryl UK Limited Affiliates; and
   d. Articles 3 and 4 in Exhibit 9 (Service Locations and Support Service Locations) of the ITSA are hereby amended to read as set out in Attachment C to the Novation Agreement.

4. With effect from the Transfer Date, the approved subcontractors as at that date will become direct subcontractors to Kyndryl UK Limited, as will IBM United Kingdom Limited as referred to in section 8 of the Novation Agreement and Articles 3 and 4 in Exhibit 16 (Approved Subcontractors) of the ITSA are hereby amended to read as set out in Attachment D.

5. Notwithstanding anything to the contrary in the ITSA: (a) the EBA Financial Services Addendum attached as Attachment B hereto and made a part hereof (the "EBA Addendum") applies to the ITSA where Customer uses the Services to perform outsourcing that is subject to the regulatory oversight of the Regulator (as defined in the EBA Addendum) under Applicable Law (as defined in the EBA Addendum) as long as Customer or End-Client (as defined in the EBA Addendum) is a Regulated Entity (as defined in the EBA Addendum) and is subject to oversight by the Regulator in relation to any Services being consumed under the ITSA, as applicable; and (b) to the extent any obligations or rights set forth in the ITSA prior to the

Transfer Date conflicts with any requirement set forth in the EBA Addendum, then the more stringent obligations on Kyndryl and the broader rights available to the Client shall apply on and after the Transfer Date.

Attachment B

EBA FINANCIAL SERVICES ADDENDUM

1. **Definitions**. The following definitions apply to this EBA Addendum:

"Applicable Law" means the applicable laws and regulations administered by the Regulator in connection with Regulated Entity's use of the Kyndryl Services.

"BRRD" means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms and any valid laws which give effect to its provisions under Applicable Law.

"EBA Guidelines" means EBA/GL/2019/02, "Guidelines on outsourcing", published by the European Banking Authority on 25 February 2019, or any successor or update thereto (subject to such successor or update being in force).

"End-Clients" has the meaning given to it in Exhibit 1 (Definitions) of the ITSA.

"Notice" means any notice provided in accordance with the Agreement.

"Regulated Entity" means the Customer or the End-Clients if and so long as: (i) such entity is regulated by or subject to oversight by the Regulator; and (ii) such entity is either (A) an "institution" as defined in Article 4(1)(3) of Regulation (EU) No 575/2013, (B) a "payment institution" as defined in Article 4(4) of Directive (EU) 2015/2366 or "electronic money institution" as defined in Article 2(1) of Directive 2009/110/EC, in each case provided such entity subject to the EBA Guidelines, or (C) otherwise subject to the EBA Guidelines pursuant to Applicable Law.

"Regulator" means a government, regulatory body, or competent authority in the European Economic Area, with binding authority to regulate Regulated Entity's financial services activities.

"Resolution Authority" has the meaning as set out in Article 2 of the BRRD.

"Special Resolution Event" means, with respect to a BRRD Institution, the occurrence of an insolvency, resolution, or other similar proceeding or event, including pursuant to recovery and resolution, special administration, special resolution regime or analogous applicable laws or regulations.

"Sub-outsourcing" means a situation where Kyndryl further transfers its obligations to provide the Services under the Agreement to another service provider.

All capitalized terms used but not defined in this Addendum have the same means ascribed to them in the Agreement (as hereby amended).

2. **Information Security Program.** The parties agree that Kyndryl has, pursuant to the ITSA, implemented and will maintain an information and security program which is designed to provide at least the same level of protection as evidenced by:

- the Kyndryl security controls verified by Kyndryl's appropriately skilled and knowledgeable external auditors in its then-current System Organization Controls 1, Type 2 report (the "Report"); and
- its then-current certification under ISO 27001 (the "Certifications")

or, in each case, such alternative industry standard reports or certifications that are its successor or reasonable alternative (provided that they are at least as protective as the standards set out above) as determined by the Parties (together, the "Kyndryl Information Security Program").

Kyndryl shall provide to Customer and End-Clients, at Customer's request and no additional charge, copies of Kyndryl's Report and Certifications. Customer may by Notice submit requests for the expansion of scope of Certifications and the Report, and the Parties shall agree on the scope of such expansion.

3. Right of Access and Audit.

a. Kyndryl agrees to provide the Regulated Entity (which, as defined below, could be either Customer or the End-Clients), the Regulator and the Resolution Authority (each a "Requester") with:

   i. full access to its relevant business premises (e.g., head offices and operations centers), including the full range of relevant devices, systems, networks and data used for providing the services outsourced, including related financial information, personnel and Kyndryl's external auditors; and

   ii. unrestricted rights of inspection and auditing related to the Services used by Customer to enable the Requester to monitor the Services and to ensure compliance with all applicable regulatory and contractual requirements.

(3.a.i. and ii. are collectively the "Right of Access and Audit").

b. The Requester will exercise the Right of Access and Audit and Kyndryl will cooperate with the Requester in accordance with the following stipulations in the EBA Guidelines:

   i. The Requester will exercise the Right of Access and Audit in a proportional manner, taking into account the complexity of the Services used by Customer, the risks arising from the Services used by Customer, the criticality or importance of the Services used by Customer, and the potential impact of the Services on the continuity of Customer's activities.

   ii. The Requester shall adhere to relevant, commonly accepted, national and international audit standards.

   iii. The Requester can appoint a third party to exercise the Right of Access and Audit. The Requester or such third party shall have the appropriate and relevant skills and knowledge to perform the audit effectively.

   iv. If the Requester's exercise of the Right of Access and Audit could, in Kyndryl's reasonable opinion, create a risk for another Kyndryl customer's environment (e.g., impact on service levels, availability of data, and confidentiality), Requester and Kyndryl shall agree on a way to address the request that provides Requester a similar level of assurance which ensures that risks to another Kyrndryl customer's environment are avoided or mitigated.

v. Where sufficient to comply with the Requester's regulatory obligations, the Requester shall perform the audit by: (i) requesting Kyndryl to provide it with copies of Certifications and the Report; or (ii) if Kyndryl has implemented a process for pooled audits, through a pooled audit conducted in cooperation with other Kyndryl clients in accordance with such process.

c. Kyndryl acknowledges that nothing in this EBA Addendum will limit or restrict relevant Regulators' or Resolution Authorities' information gathering and investigatory powers under article 63(1)(a) of Directive 2014/59/EU and article 65(3) of Directive 2013/36/EU. Kyndryl's customer audit policies will not apply to the Right of Access and Audit described in this Section 3. If there is a conflict between this Section 3 and another Section of the Agreement, the terms of this Section 3 will control.

4. **Performance Reporting.** In addition to any reporting requirements in the Agreement, Kyndryl shall provide ongoing reporting in writing to Customer of developments that may have a material impact on Kyndryl's ability to provide the Services.

5. **Sub-outsourcing.**

a. No Sub-outsourcing of any material portion of the Services is permitted under the Agreement without Customer's prior written consent in each instance.

b. For any Sub-outsourcing, Kyndryl shall:

i. perform due diligence on the proposed sub-contractor;

ii. enter into a written agreement with such sub-contractor which requires such sub-contractor to comply with all Applicable Laws and relevant contractual obligations of Kyndryl under the ITSA (as hereby amended), as applicable; and

iii. oversee such sub-contractor in line with the terms of the ITSA (as hereby amended), as applicable.

6. **Compliance with Laws and Protection of Data.** Kyndryl will comply with all legal requirements regarding the protection of data that are applicable to it and binding on it in the performance of the Services, including, where applicable, requirements relating to protection of personal data, banking secrecy or similar confidentiality duties.

7. **Data Retrieval.** Without limiting any rights under the ITSA, in the event that Kyndryl: (a) is declared bankrupt or in liquidation (or equivalent), (b) is dissolved or wound up, or (c) discontinues its entire business operations of providing the Services (except as the result of any assignment permitted under the Agreement), Customer will have the immediate right to retrieve all data of Customer and End-Clients unless prohibited by law or the order of a governmental or regulatory body or insolvency practitioner (or equivalent).

8. Resolution and the BRRD.

a. This Section 6 applies to Regulated Entities that are subject to the requirements of the BRRD as implemented under Applicable Law (each a "BRRD Institution").

b. Kyndryl acknowledges that when a BRRD Institution is taken into resolution, the BRRD Institution will be subject to a range of powers exercisable by the designated Resolution Authority, including pursuant to Articles 68 and 71 of the BRRD. In the event that a BRRD Institution is taken into resolution in accordance with the BRRD, Kyndryl shall comply with all laws applicable to it in relation to that resolution and, if so requested in writing, will cooperate in good faith with the Resolution Authority (but without prejudice to any rights or remedies Kyndryl has under the Agreement) regarding any concerns in respect of the ongoing provision of the Services to Customer.

c. Kyndryl acknowledges that the occurrence of a Special Resolution Event does not, in and of itself, constitute a material breach giving rise to Kyndryl's termination for cause rights with respect to the Agreement, provided that the Customer continues to fulfill its substantive obligations under the Agreement (as such term is understood for the purposes of Article 68 of the BRRD), including payment obligations.

9. Confidentiality. Any information, responses and documentation provided by Kyndryl or by Customer in connection with this EBA Addendum ("Confidential Compliance Information") will be treated as confidential information of the party owning it and will be provided to the recipient pursuant to confidentiality obligations reasonably acceptable to the party owning the Confidential Compliance Information (which, in case of the Regulator, means confidentiality obligations set out under applicable law) and will not be disclosed by the recipient, except that Confidential Compliance Information may be disclosed to (a) the Regulator, provided that the Customer obtains confidential treatment or similar protections, (b) the Customer, provided that all Confidential Compliance Information of Kyndryl will be treated as confidential information of Kyndryl under the Agreement and this EBA Addendum, and (c) the End-Clients which are Regulated Entities. Notwithstanding anything to the contrary in the Agreement, other Confidential Compliance Information of Kyndryl (excluding the Report, Certifications and any other information from, referring to or otherwise included in the Kyndryl Information Security Program) may be disclosed by Customer to End-Clients which are Regulated Entities.

10. The Parties agree that they may have to modify parts of this EBA Addendum to accommodate access to, and audit of, a public cloud environment.

Attachment C

Amendments to Exhibit 9 (Service Locations and Support Service Locations) of the ITSA

[****]

Attachment D

Amendments to Exhibit 16 (Approved Subcontractors) of the ITSA

[****]

Exhibit 31.1

SECTION 302 CERTIFICATION

I, Timothy C. Gokey, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Broadridge Financial Solutions, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2021

/s/ Timothy C. Gokey

Timothy C. Gokey
Chief Executive Officer

Exhibit 31.2

SECTION 302 CERTIFICATION

I, Edmund J. Reese, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Broadridge Financial Solutions, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting.

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

November 3, 2021

/s/ Edmund J. Reese

Edmund J. Reese
Corporate Vice President
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Broadridge Financial Solutions, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Timothy C. Gokey, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(a) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

November 3, 2021

/s/ Timothy C. Gokey
Timothy C. Gokey
Chief Executive Officer

Pursuant to Securities and Exchange Commission Release 33-8238, dated June 5, 2003, this certification is being furnished and shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, and will not be incorporated by reference into any registration statement filed under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Broadridge Financial Solutions, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Edmund J. Reese, Corporate Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(a) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

November 3, 2021

/s/ Edmund J. Reese

Edmund J. Reese
Corporate Vice President and Chief Financial Officer

Pursuant to Securities and Exchange Commission Release 33-8238, dated June 5, 2003, this certification is being furnished and shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, and will not be incorporated by reference into any registration statement filed under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.