



# Proxy and e-voting

October, 2016

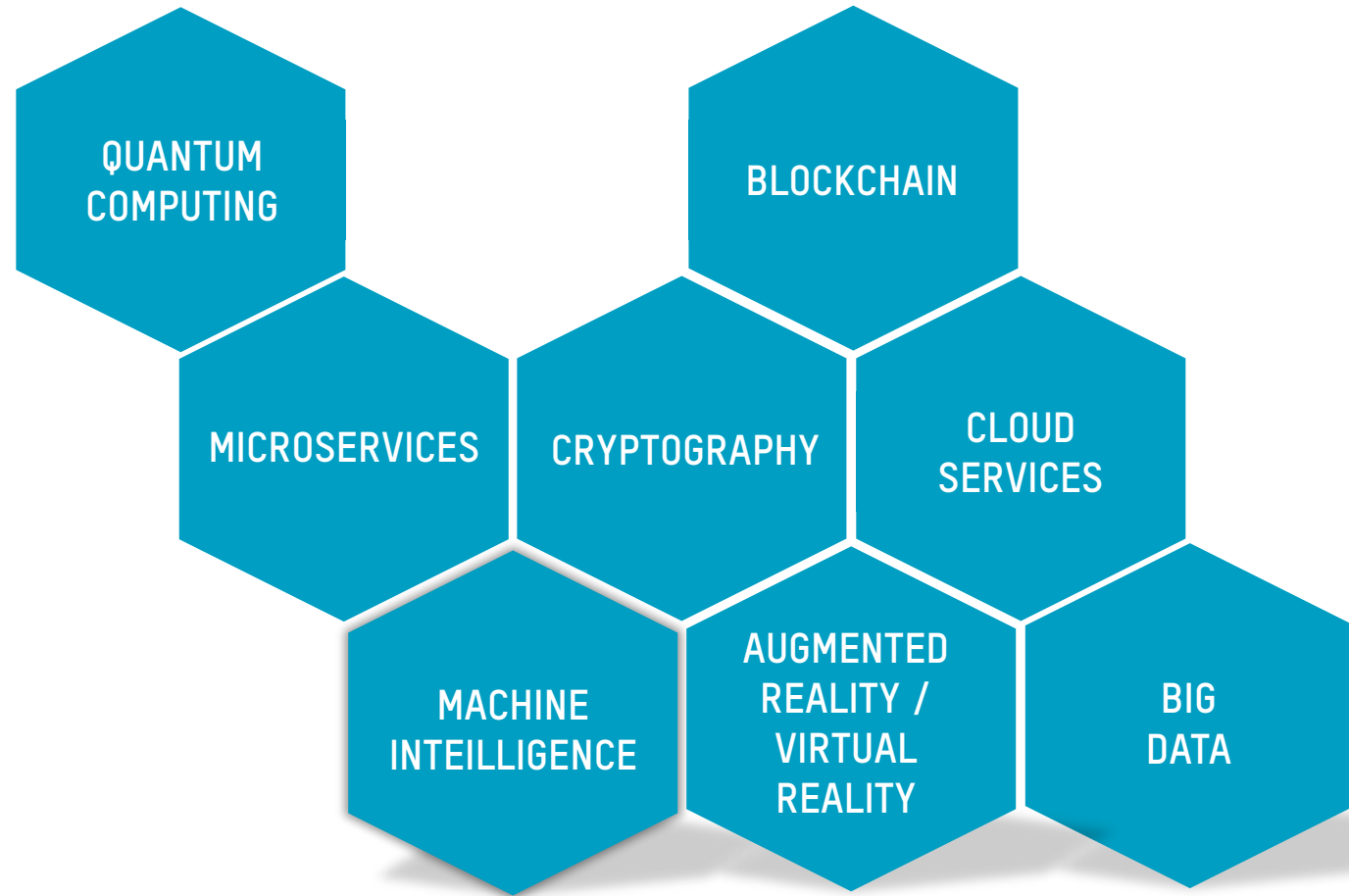
Opportunities

Objectives

Key  
features



# TECHNOLOGY TRENDS SHAPING FINANCIAL SERVICES



# PILLARS FOR INNOVATION

## FORGET

- ▶ We need to be sure we are not restricted by the way things work today. The potential of an immutable distributed ledger requires new ways of thinking.

## LEARN

- ▶ Identify the possible disruptions and develop strategies to address them.
- ▶ Learning by doing.

## IMPLEMENT

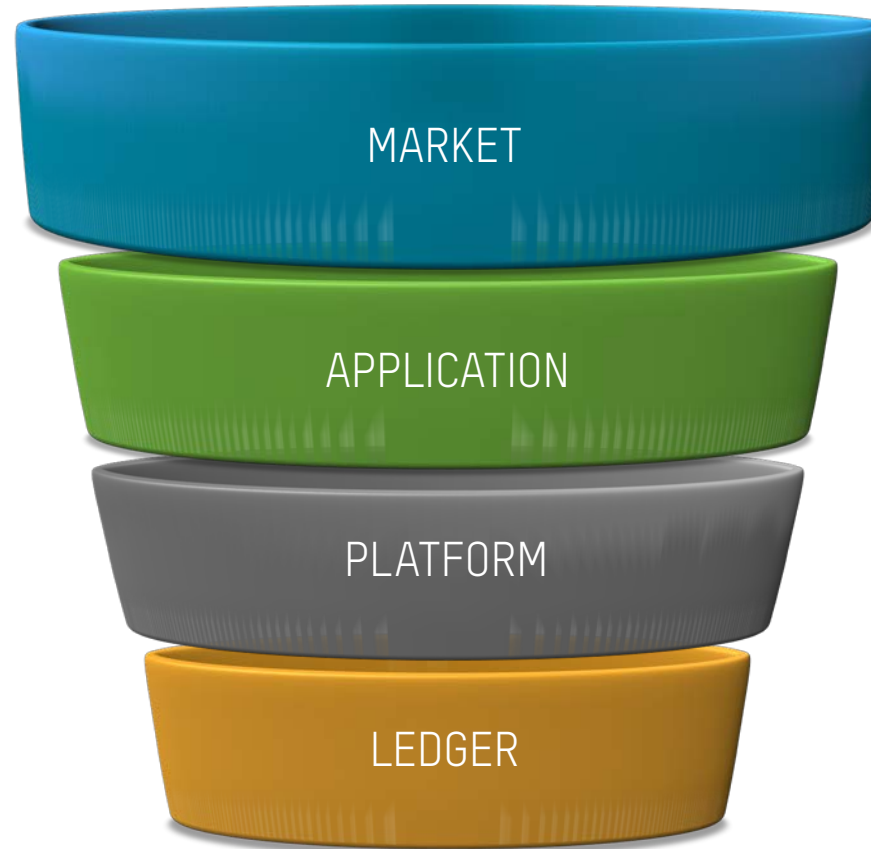
- ▶ Minimum viable products for minimum viable ecosystem.

## IDENTIFY

- ▶ Identify subsequent use cases.

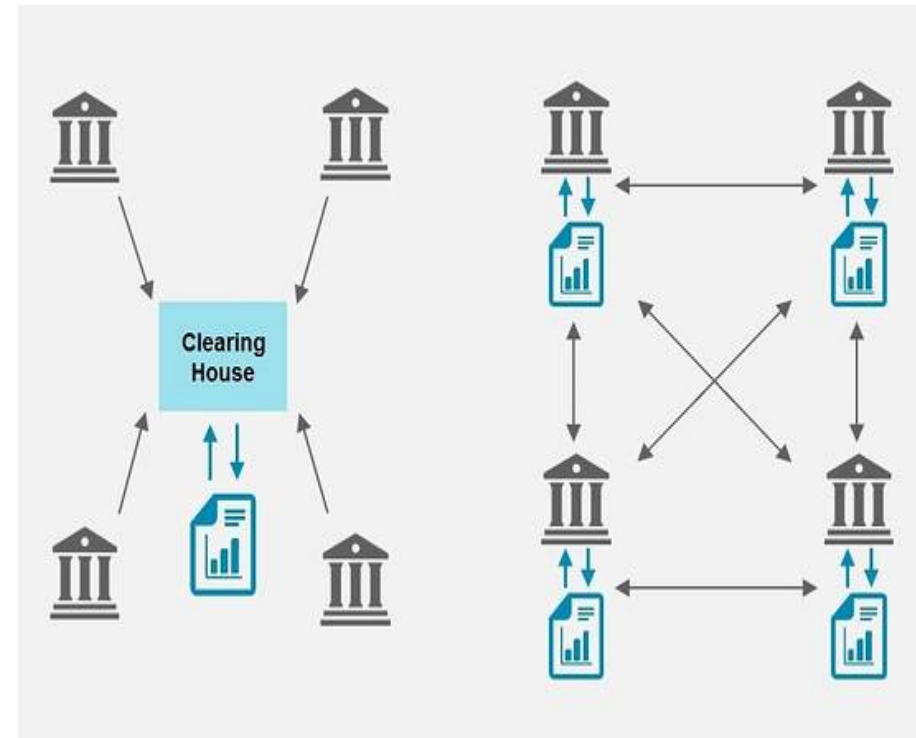
# HOW IS NASDAQ APPROACHING THIS SPACE?

Top-Down Approach to Blockchain Innovation



# BLOCKCHAIN ENABLES NEW WAYS TO DO BUSINESS

- ▶ Can save major financial institutions billions of dollars on the cost of settling trades and other financial transactions
- ▶ Brings robustness, transparency and innovation together to transform the marketplace
- ▶ Improves efficiency and reduces errors within your business
- ▶ Applies to a wide variety of use cases



# NASDAQ INTEREST IN BLOCK CHAIN. BLOCKCHAIN VALUE PROPOSITION.

## SECURITY. INTEGRITY. STABILITY.

- ▶ Decentralized databases
  - ▶ coupled with decentralized compute power
- ▶ Managed by many nodes and controlled by many users at the same time
  - ▶ No single point of trust, no single point of failure.
- ▶ All execution is transparent, history recorded in perpetuity
- ▶ Blockchains can be public (i.e. on the open internet) or private (on a closed network / restricted nodes)



### SECURE DATA STORE

Only parties who should access it, can access it.



### CRYPTOGRAPHY ENSURES INTEGRITY

Data remains consistent, once written it cannot be modified.



### STABILITY THROUGH DECENTRALIZED CONSENSUS

Input is guaranteed/validated through decentralized consensus.





# NASDAQ PROXY AND E-VOTING

## SECOND OFFICIAL BLOCKCHAIN PROJECT



//

We are going to put proxy voting on the blockchain, on the immutable ledger and obviously enable people to do that with their cell phone and have that record with them forever."

- Nasdaq CEO Bob Greifeld in Bloomberg, Oct 2015

//



"Nasdaq is to use blockchain technology to streamline proxy voting on companies listed on the Tallinn Stock Exchange"

- ▶ Streamlined service for proxy voting
- ▶ Votes will be tracked stored in the immutable ledger
- ▶ **Digital authentication to onboard users**
- ▶ Issue and record votes on the blockchain

# WHAT? WHY? TO WHOM? WHEN?

## WHAT?

- ▶ e-voting and proxy assignment application based on blockchain technology.

## WHY?

- ▶ Active shareholder engagement via trustworthy tools increases the effectiveness of corporate governance.
- ▶ The aim is to help improve shareholder engagement via proxy voting & explore the possibilities of blockchain technology.

## TO WHOM?

- ▶ Pilot will be launched in Estonia & tested by Nasdaq Tallinn listed companies.
- ▶ Companies, shareholders, proxies, custodians.

## WHEN?

- ▶ Pilot is aimed to launch in 2016.



Key features  
of the  
e-voting  
system

# WHY ESTONIA, TALLINN?

- ▶ **Know-how**  
over 15 years of experience in providing general meeting service
- ▶ **Loyal customer base**  
communication with different stakeholders
- ▶ **1-tier CSD**  
owned by Nasdaq, availability of ownership data
- ▶ **Supportive environment**  
Estonia's open-minded attitude towards IT & FinTech innovation
- ▶ **Secure remote identification**  
Estonian ID solutions for citizens & foreigners, cooperating with e-Residency initiative



# BENEFITS FOR COMPANIES

- ▶ **Identify** shareholders.
- ▶ Monitor **chain of proxies**.
- ▶ Reach **quorum** faster by engaging more retail investors.
- ▶ Receive voting results instantly.
- ▶ **Vote & proxy transactions** are stored in an **immutable** blockchain **ledger**.
- ▶ **Engage** investors in leading the company.

# BENEFITS FOR USERS

## SHAREHOLDERS, PROXIES, CUSTODIANS

- ▶ **Remote participation** and **proxy assignment**.
  - ▶ **Voting before** and/or **during** the general **meeting**.
- ▶ **Secure identification** of shareholders and their representatives via Estonian ID solutions.
- ▶ Information about **meetings**, **agenda items** and management **proposals** is **easily reachable**.
- ▶ **Track record** of assigned **proxies** (i.e. chain of proxies) and casted **votes**.
- ▶ **Access** to **voting results**.
- ▶ **Data** is saved in an **immutable ledger**.

Nasdaq Voter Console

Meetings Voting Rights hedi.uustalu@eesti.ee

Meetings

Issuer	Meeting Type	Record Date	Pre-Voting Date	Meeting Date	Status
Linda Nektar AS	Annual General	Oct 7, 2016 12:15 PM	Oct 8, 2016 12:00 AM - Oct 14, 2016 12:00 AM	Oct 17, 2016 12:00 AM	Not started
Linda Nektar AS	Extraordinary General	Oct 2, 2016 12:00 PM	Oct 3, 2016 12:00 AM - Oct 6, 2016 12:00 AM	Oct 8, 2016 12:00 AM	Completed

Nasdaq Voter Console

Meetings Voting Rights david.stone@mail.com

1. Approval of the annual report of the year 2015 and overview of the economic results and the perspectives

Voting Right Owner	Total Votes	Vote
David Stone	4900	Abstain
Matt Hill	88	Abstain

CANCEL VOTE

Agenda items

1. Approval of the annual report of the year 2015 and overview of the economic results and the perspectives

The Supervisory Board proposes to approve the annual report of the financial year 2015 and to note the Management Board's overview of the economic results and perspectives.

Abstain For Against

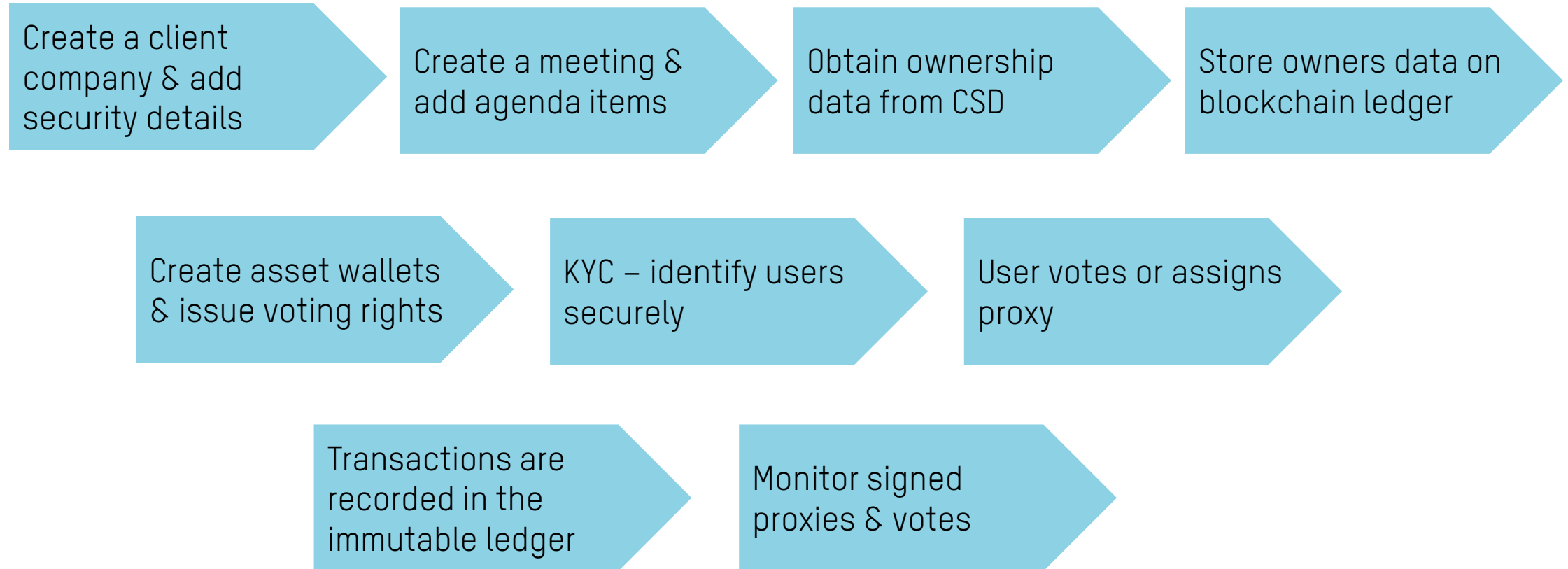
STATUS

\* voting in progress

VOTE

# PROCESS FLOW

## HIGH LEVEL



# OUR APPROACH ON E-VOTING MVP

## HOW TO BUILD A MINIMUM VIABLE PRODUCT

NOT LIKE THIS



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Source: Outsoft, <http://outsoft.com/category/infographic>

OUTSOFT





Thank you! Any Questions?



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Nasdaq Tallinn

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