NOTICE OF REPUBLICATION FOR COMMENT

PROPOSED NATIONAL INSTRUMENT 54-101 *COMMUNICATION WITH BENEFICIAL OWNERS OF SECURITIES OF A REPORTING ISSUER*, FORMS 54-101F1, 54-101F2, 54-101F3, 54-101F4, 54-101F5, 54-101F6, 54-101F7, 54-101F8 AND 54-101F9 AND COMPANION POLICY 54-101CP

AND

RESCISSION OF NATIONAL POLICY STATEMENT NO. 41 - SHAREHOLDER COMMUNICATION

Introduction

On February 27, 1998, the Canadian Securities Administrators (the "CSA") published for comment proposed National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (the "National Instrument"), the related forms (the "Forms), consisting of Forms 54-101F1, 54-101F2, 54-101F3, 54-101F4, 54-101F5, 54-101F6, 54-101F7 and 54-101F8, and the proposed Companion Policy 54-101CP (the "Companion Policy").

Following a review of the comments received, the CSA published on July 17, 1998 a second draft of the proposed National Instrument, proposed Forms and proposed Companion Policy. The comment period for this second draft expired on September 15, 1998.

In this Notice, the versions of these materials published in February are called the "February Draft National Instrument", the "February Draft Forms" and the "February Draft Companion Policy" respectively. The versions of these materials published in July are referred to in this notice as the "July Draft National Instrument", the "July Draft Forms" and the "July Draft Companion Policy" respectively.

During the comment period on the July Drafts, the CSA received submissions from a broad range of commenters. The list of commenters is contained in Appendix A of this Notice, and the summary of their comments, together with the CSA responses to those comments, are contained in Appendix B of this Notice. As the result of consideration of the comments, the CSA are proposing a number of amendments to the July Drafts and are therefore republishing the proposed National Instrument, the Forms and the Companion Policy.

Through these proposed instruments, the CSA seek to continue, with some changes, the regulatory regime concerning communication with beneficial owners of securities of a reporting issuer currently embodied in National Policy Statement No. 41 ("NP 41"), which the instruments will replace.

The CSA are not publishing with this Notice, proposed National Instrument 54-102 *Supplemental Mailing List and Interim Financial Statement Exemption* ("NI 54-102"), which replaces the provisions of NP 41 and associated rules and blanket orders pertaining to supplemental mailing lists. NI 54-102 was published for comment in February with the proposed National Instrument, but will not be republished for comment. NI 54-102 is expected to be adopted by the CSA at the same time as the proposed National Instrument, with no material changes from the version published on February 27, 1998.

The proposed National Instrument and Companion Policy are initiatives of the CSA, and the proposed National Instrument is expected to be adopted as a rule in each of British Columbia, Alberta, Manitoba, Ontario and Nova Scotia, as a Commission regulation in Saskatchewan, and as a policy in all other jurisdictions represented by the CSA. The proposed Forms will be adopted as rules in Ontario. The proposed Companion Policy is expected to be implemented as a policy in all of the jurisdictions of the CSA.

Substance and Purpose of the Proposed National Instrument, Forms and Companion Policy

The substance and purpose of the proposed National Instrument, Forms and Companion Policy are to establish an obligation on reporting issuers to send proxy-related materials to the beneficial owners of its securities who are not registered holders of its securities, to provide a procedure for the sending of proxy-related materials and other securityholder material to beneficial owners, and, to impose obligations on various parties in the securityholder communication process.

For additional information concerning the background of the proposed National Instrument, Forms and Companion Policy, reference should be made to the notice (the "February Notice") that accompanied the publication of the February Draft National Instrument, February Draft Forms and February Draft Companion Policy and to the Notice (the "July Notice") that accompanied the publication of the July Draft National Instrument, the July Draft Forms and the July Draft Companion Policy.

Summary of Changes to the Proposed National Instrument from the July Draft National Instrument

This section describes the substantive changes made in the proposed National Instrument from the July Draft National Instrument. Minor changes made for drafting or technical reasons are generally not described in this summary. For a detailed summary of the contents of the July Draft National Instrument, reference should be made to the July Notice.

Definitions

Changes from the July Draft National Instrument

The definition of "client response card" in the July Draft has been replaced by a definition of "client response form". This change reflects the recognition that the response provided by clients may be

provided by electronic means as an alternative to a paper response. Conforming changes have been made throughout the proposed National Instrument.

The definition " beneficial owner determination date" has been changed to "beneficial ownership determination date" to reflect the fact that this date is used to determine not just the relevant beneficial owners, but also their ownership positions.

The definition of "intermediary" has been amended to clarify that the exclusion from the definition of a person or company that holds the security only as a custodian is limited to circumstances where that person or company is not the registered securityholder nor holding as a participant in a depository.

A definition of "legal proxy" has been added in conjunction with changes to section 4.5 of the proposed National Instrument. The proposed National Instrument clarifies that beneficial owners that receive proxy-related material may either provide voting instructions or acquire a legal proxy and attend the meeting to vote. The legal proxy ensures that such persons who attend a meeting have legal authority to vote the securities that they beneficially own. Legal proxy is defined as a voting power of attorney in the required form granted by an intermediary or reporting issuer to a beneficial owner. The form of the legal proxy is set out in Form 54-101F8.

The definition of a "non-objecting beneficial owner" has been amended to delete the reference to persons who fail to provide instructions. This change has been made in conjunction with the deletion of section 3.6 of the July Draft National Instrument which provided that in the absence of instructions, a beneficial owner was deemed to be a non-objecting beneficial owner. In light of the obligation in section 3.2 to obtain instructions from all new clients and the changes to section 3.3 with respect to transitional provisions concerning previously obtained instructions from existing clients, such default provisions are considered unnecessary. The definition, like the definition of "objecting beneficial owner" has also been amended to clarify that instructions by beneficial owners are given on an account-by-account basis.

The definition of "non-objecting beneficial owner list" has been amended to clarify that a list prepared in non-electronic form is to contain the same information as is required by the form prescribed for a list in electronic form (Form 54-101F5).

The definition of "ownership information" has been amended to include the electronic mail address of the beneficial owner, if known. This change has been made in conjunction with changes to section 3.2, which now requires an intermediary to obtain the electronic address, if available, from new clients, as well as enquire whether the client wishes to consent and if so obtain the consent of the client to electronic delivery of documents. The change is also made in conjunction with changes to a Request for Beneficial Ownership Information (Form 54-101F2) which provide for the request and receipt of information with respect to the aggregate number of beneficial owners that have consented to the electronic delivery of documents through the intermediary, and, the information prescribed for a NOBO list in Form 54-101F5, which now provides for an identification of e-mail addresses, where available,

for each NOBO and whether the NOBO has consented to electronic delivery of securityholder materials by the intermediary.

The definition of "participant list" has been deleted as that term does not appear in either the July Draft National Instrument or in the proposed draft National Instrument.

The definition of "send" has been revised to delete an express requirement for consent of the recipient to electronic form of delivery. This is consistent with the principles set out in National Policy 11-201 *Delivery of Documents by Electronic Means* ("NP 11-201"), which suggests, but does not require, that consent be obtained in order to satisfy the principles. The CSA do, however, request specific comment on whether, in the case of this Instrument, there should be a requirement for specific consent[1].

A definition of "transfer agent" has been added in conjunction with the addition of the new requirement in subsection 2.5(4), that requires those seeking beneficial ownership information to do so through a transfer agent. The term "transfer agent" is defined as a person or company that carries on the business of a transfer agent.

Section 1.4

Changes from the July Draft National Instrument

Subsection 1.4(2) has been amended from the July Draft National Instrument to permit an alternative form of electronic NOBO list to be used where both the party requesting and the party receiving the list agree. This will allow parties who mutually agree, to adopt a form that takes advantage of improvements in technology without awaiting an amendment to the proposed National Instrument.

Section 1.5

Section 1.5 provides that fees payable under the proposed National Instrument shall be the amounts prescribed by the applicable regulator or securities regulatory authority or, where no amount is prescribed, a reasonable amount.

Changes from the July Draft National Instrument

Section 1.5 has been amended and the appendix referred to in section 1.5 of the July Draft National Instrument has been eliminated. As a result of these changes, the proposed National Instrument does not make reference to specific fees, nor does the proposed Companion Policy. The proposed National Instrument now permits fees to be prescribed, if desired and permitted, by individual jurisdictions. It

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[1] As is the case with proposed s. 252.3(2) of the proposed new Canada Business Corporations Act as set out in Bill S-9, 2000, An Act to amend the Canada Business Corporations Act and the Canada Cooperatives Act and to amend other Acts in consequence..

continues to require fees to be reasonable in jurisdictions where no fees have been prescribed. The proposed Companion Policy no longer references any specific fee amounts the CSA consider to be reasonable.

Section 2.1

Changes from the July Draft National Instrument

Section 2.1 has been amended to reduce to 30 days the minimum time between the record date for notice of a meeting and the meeting date from the 35 days provided for in the July Draft National Instrument. This reflects the shorter time period for mailing now contained in sections 2.9 and 2.12 as compared to NP 41. The change has been made to facilitate the calling of meetings on a more expedited basis than under NP 41 and to conform more closely to timing requirements for mailings to registered holders under corporate law.

Section 2.2

Changes from the July Draft National Instrument

Section 2.2 has been amended to specify that, subject to section 2.20, notification of a meeting must be given at least 25 days before the record date for notice. The July Draft National Instrument was silent with respect to this timing issue. This is a return to the requirement contained in NP 41.

This change was made in conjunction with the addition of section 2.20, which provides a mechanism for the shortening of this time period if other requirements of the proposed National Instrument are satisfied in the shorter time period.

This change is proposed to respond to comments that expressed concern that the omission of the time periods now contained in subsections 2.2(1) and 2.5(1) would lead to reporting issuers not allowing sufficient time to ensure that all the requirements of the proposed National Instrument would be satisfied before a meeting date. The proposed National Instrument reinstates the time periods contained in NP 41, but allows for the abridgement of them if the reporting issuer complies with section 2.20.

Section 2.3

Section 2.3 requires a reporting issuer to make an intermediary search request when it sends a notification of meeting and record date and specifies the content of an intermediary search request.

Changes from the July Draft National Instrument

Subsection 2.3(1) has been amended to conform with section 5.3 by adding paragraph (a) to specify that the intermediary search request shall include a request for the identity of each entity that holds the specified securities on behalf of the depository and the respective holdings of each such entity. Conforming changes have been made to subsection 2.3(2) and section 2.4.

Paragraph 2.3(1)(b) has been amended to clarify that, like paragraph 2.3(1)(c), it is subject to the provisions of section 2.4.

Subsection 2.5(1)

Changes from the July Draft National Instrument

Section 2.5(1) has been amended from the July Draft National Instrument to specify that reporting issuers are required to send requests for beneficial ownership information to proximate intermediaries at least 20 days before the record date for notice of a meeting. The July Draft National Instrument was silent with respect to this timing issue. This is a return to the corresponding requirement contained in NP41 and is made in conjunction with the addition of section 2.20, which provides a mechanism for the shortening of this requirement if arrangements are made for other requirements of the proposed National Instrument to be satisfied in the shorter time period.

This change is proposed to respond to comments that expressed concern that the omission of the time periods now contained in subsections 2.2(1) and 2.5(1) would lead to reporting issuers not allowing sufficient time to ensure that all the requirements of the proposed National Instrument would be satisfied before a meeting date. The proposed National Instrument reinstates the time periods contained in NP41, but allows for the abridgement of them if the reporting issuer complies with section 2.20.

Subsection 2.5(2)

Changes from the July Draft National Instrument

Subsection 2.5(2) has been amended from the July Draft National Instrument to clarify that a Request for Beneficial Ownership Information that is not in connection with a meeting may be for any class or series of securities (not just those with a right to receive notice of a meeting or to vote) and need not necessarily be addressed to all proximate intermediaries holding that class or series of securities.

Subsection 2.5(3)

Changes from the July Draft National Instrument

Subsection 2.5(3) has been amended to require that an undertaking confirming obligations with respect to beneficial owner lists be given with a Request for Beneficial Ownership Information that includes a request for a NOBO list rather than a statutory declaration as was provided for in the July Draft National Instrument. This is a return to the proposal in the February Draft National Instrument. This change recognizes that a statutory declaration is not the most appropriate means of addressing promises with respect to future conduct as distinct from statements of past conduct.

Subsection 2.5(4)

Subsection 2.5(4) requires that requests for beneficial ownership information be made through a transfer agent.

Changes from the July Draft National Instrument

Subsection 2.5(4) is new. It has been added to ensure that proximate intermediaries need deal with only a limited number of entities with respect to requests for beneficial ownership information. By limiting the number of parties requesting and receiving this information from proximate intermediaries, greater efficiencies and economies of scale may be realized.

Section 2.6

Changes from the July Draft National Instrument

Section 2.6 has been amended from the July Draft National Instrument to excuse reporting issuers from having to make intermediary search requests and requests for beneficial ownership information where they already have all of the information which would be provided in response to a Request for Beneficial Ownership Information. This amendment will, for example, excuse mutual fund issuers that maintain such information from complying with sections 2.3 and 2.5. The previous reference in the section excusing compliance with section 2.7 has been deleted.

Section 2.12

Changes from the July Draft National Instrument

Subsection 2.12(1) has been amended from the July Draft National Instrument to require a reporting issuer that wishes to indirectly send proxy-related material by prepaid mail other than first-class mail to send the material to the proximate intermediary one day earlier than would be the case if the material is to be sent by other means. This change is intended to provide proximate intermediaries one extra day to complete the extra steps required when securityholder materials are to be sent by mail and the mail is other than first-class mail.

This amendment has been made in response to a comment received. A corresponding change has been made to section 4.2.

Subsection 2.12(3) has been amended since the July Draft National Instrument to indicate that it applies not only where the law of a foreign jurisdiction prohibits the reporting issuer from sending securityholder material directly to NOBOs but also where the proximate intermediary has stated in response to the Request for Beneficial Ownership Information that the law in the foreign jurisdiction requires the proximate intermediary to deliver securityholder materials to beneficial owners. The subsection also has been amended to clarify that if the conditions in the subsection apply, the reporting issuer shall not send securityholder materials to the NOBOs.

Section 2.14

Section 2.14 provides for the sending of securityholder materials indirectly through a proximate intermediary to beneficial owners.

Changes from the July Draft National Instrument

References to a "certificate of mailing"or "other satisfactory proof of sending" have been simplified to refer to a "certificate of sending".

Section 2.16

Section 2.16 requires that proxy-related material sent to a beneficial owner of securities explain, in plain language, how the beneficial owner may exercise voting rights attached to the securities.

Changes from the July Draft National Instrument

Section 2.16 has been amended since the July Draft National Instrument to specifically provide that the explanation provided with proxy-related materials sent to beneficial owners must include an explanation of the right of the beneficial owner to attend and vote the securities directly at a meeting and a description of how those rights may be exercised.

Section 2.18

Section 2.18 provides that if a reporting issuer that has sent proxy-related materials directly to NOBOs receives a written request from a NOBO for a legal proxy, the reporting issuer will arrange at no cost to the NOBO to deliver a legal proxy to the NOBO.

Changes from the July Draft National Instrument

Section 2.18 is a new section. It confirms that a NOBO that receives proxy-related material for a meeting directly from a reporting issuer may request and receive a legal proxy and exercise its right to vote at the meeting. The legal proxy ensures that such persons who attend a meeting have legal authority to vote the securities that they beneficially own and to change any voting instructions previously given. This provision implements, in relation to reporting issuers that deal directly with NOBOs for a meeting, an obligation analogous to that imposed on registrants or custodians by Canadian securities legislation of some jurisdictions (including section 79 of the *Securities Act* (Alberta)).

Section 2.20

Section 2.20 provides that an issuer may abridge the time for providing notification under subsection 2.2(1), or requesting beneficial ownership information under subsection 2.5(1), by filing with the regulator at the time it files its proxy-related material a certificate of one of its officers, reporting that it is relying upon section 2.20 and that it has arranged to have proxy-related materials for the meeting sent in compliance with the Instrument to all beneficial owners at least 21 days before the date fixed for the meeting, and to have carried out all of the other requirements of the proposed National Instrument.

Changes from the July Draft National Instrument

Section 2.20 is new. It has been added in connection with the amendments made to sections 2.2(1) and 2.5(1) wherein specific time frames were reinstituted for providing notification of a meeting and requesting beneficial ownership information. Section 2.20 allows the time frames prescribed in section 2.2(1) and 2.5(1) to be abridged by filing the required officer's certificate.

Section *3.2*

Section 3.2 establishes obligations on intermediaries that open an account for a client to send to the client an explanation to clients and a client response form and obtain instructions from the client on the matters to which the response form pertains, before the intermediary holds securities on behalf of the client in the account.

Changes from the July Draft National Instrument

Section 3.2 has been revised to also include a requirement that the intermediary obtain the electronic mail address of the client, if available, and, enquire whether the client wishes to consent, and if so, obtain consent of the client, to electronic delivery of documents.

Section 3.3

Changes from the July Draft National Instrument

Section 3.3 has been amended since the July 1998 Draft National Instrument. The July 1998 Draft National Instrument contemplated that a proximate intermediary that wished to seek new instructions from existing clients would do so using Form 54-101F1. This section has been changed to delete the requirement that Form 54-101F1 be used when new instructions are sought so as to allow proximate intermediaries greater flexibility in seeking new instructions from existing clients. This is in conformity with the new provisions in section 3.4 that address the ability of a client to change at any time the choices it made, or was deemed to have made, in the client response form. An existing client that does not respond to a new request for instructions will continue to be governed by the instructions previously given or deemed to have been given under NP 41. This is a change from the July 1998 Draft National Instrument in which a failure to respond to a new request for instructions would have resulted in the client having been deemed to have made the default elections set out in section 3.6 of the July 1998 Draft National Instrument. This section has also been amended from the July 1998 Draft National Instrument to clarify that a securityholder that is deemed to have elected not to receive all securityholder materials pursuant to NP 41 will not receive annual reports or financial statements that are part of proxy-related materials for meetings at which only routine business is to be conducted.

This section has also been changed to provide that a beneficial owner that is deemed to be a NOBO under subparagraph 2 of paragraph 3.3(b) (i.e. the beneficial owner did not respond to a client response card provided under NP 41) will be deemed to be a NOBO for three years after the proposed National Instrument came into force. Paragraph 3.3(c) provides that the intermediary shall seek new instructions from that client before the expiry of the three year period. This change has been made to ensure that the proposed National Instrument conforms with the spirit of the *Personal*

Information Protection and Electronic Documents Act (Canada) by placing limits on the extent to which personal information may be provided without explicit instructions from the relevant beneficial owner.

The CSA note that intermediaries that seek instructions from clients under NP 41 should advise the clients of the implications under the proposed National Instrument of the choices they make under NP 41.

Section 3.4

Section 3.4 provides that a client may at any time change the choices it made concerning disclosure of ownership information and receipt of securityholder materials by advising the intermediary that holds securities on the client's behalf.

Changes from the July Draft National Instrument

Section 3.4 is new. It makes explicit the ability of a client to change the choices it has previously made or is deemed to have made with respect to the matters addressed in the client response form.

Deletions from Part 3

Section 3.5 of the July Draft National Instrument provided that a client that is itself an intermediary is not required to return any client response form received by it in connection with securities of which it is an intermediary. This provision has been deleted to reflect the fact that the Instrument itself does not require that a client return the client response form.

Section 3.6 of the July Draft National Instrument, which prescribed the default consequences if a beneficial owner failed to provide instructions in the matters addressed in the client response form, has been deleted. In light of the obligation in section 3.2 to obtain instructions from all new clients and the changes to section 3.3 with respect to transitional provisions concerning previously obtained instructions from existing clients, such default provisions are considered unnecessary.

Section 3.7 of the July Draft National Instrument, which provided that OBOs bore the costs of confidentiality in connection with the sending of securityholder materials to them, has also been deleted. The CSA have resolved to be silent on that issue and allow the market to permit how the costs of delivery to OBOs will be borne where the matter is not addressed by local rule.

Section 4.1

Changes from the July Draft National Instrument

Subsections 4.1(1) and 4.1(2) have been reordered. Paragraphs 4.1(1)(b) and (c) have been revised to provide that the reference date used for calculating the three business days for response should be the “beneficial ownership determination date”, and not the “record date for notice”, to account for the fact that the information is to be prepared “as at the beneficial ownership determination date”.

Subsection 4.1(3) has been amended to clarify that it pertains to requests for beneficial ownership information that relate to neither a meeting nor the sending of securityholder materials. The July Draft National Instrument indicated the subsection only applied to requests that did not relate to a meeting.

Section 4.1 has also been amended to delete the requirement that a NOBO list requested in connection with a meeting be provided in electronic format. Amendments to the Request for Beneficial Ownership Information form, however, specify that if a proximate intermediary is able to do so, it must respond to requests for a NOBO list by providing the list in electronic format.

Section 4.2

Changes from the July Draft National Instrument

A new subsection (2) has been added since the July National Instrument. This subsection has been added in conjunction with the amendment of section 2.12. The change extends from three business days to four business days the time within which a proximate intermediary must send securityholder materials where the materials are being sent by prepaid mail other than first class mail. This change is intended to provide proximate intermediaries one extra day to complete the extra steps required when securityholder materials are to be sent by mail and the mail is not first class mail.

Section 4.3

Changes from the July Draft National Instrument

The introductory phrase, "Except as required by securities legislation", that appeared in the July Draft National Instrument has been deleted. This condition is no longer considered necessary.

Section 4.5

Section 4.5 requires an intermediary that receives a written request from a beneficial owner for a legal proxy to provide a legal proxy in the prescribed form at no cost to the beneficial owner.

Changes from the July Draft National Instrument

Section 4.5 is new. It is designed to ensure that beneficial owners that receive proxy-related material may, as an alternative to providing voting instructions, request a legal proxy and exercise their right to vote at the meeting. The legal proxy ensures that such persons who attend a meeting have legal authority to vote the securities that they beneficially own, and to change any voting instructions previously given.

Section 4.7

Section 4.7 clarifies that nothing in Part 4 requires a person or company to send securityholder materials to a beneficial owner if securities legislation specifically permits the person or company to decline to do so.

Changes from the July Draft National Instrument

Section 4.7 is new, and recognizes that the provisions of the securities legislation of some jurisdictions specifically permit intermediaries to decline to forward securityholder materials to beneficial owners unless arrangements have been made for the payment to the intermediary for so doing. The CSA do not intend to override these provisions in this Instrument. This change is made in conjunction with the deletion of section 3.7 of the July Draft National Instrument, which provided that OBOs were required to bear the costs of confidentiality. The CSA have resolved to be silent on that issue and allow the market to permit how the costs of delivery to OBOs will be borne where the matter is not addressed by local rule.

Section 5.3

Changes from the July Draft National Instrument

Section 5.3 has been amended since the July Draft to clarify that the response to an intermediary search request must identify each entity that holds the specified securities on behalf of the depository and must identify the respective holdings of each such entity.

Part 6

Changes from the July Draft National Instrument

Subsection 6.1(1) has been amended to address the circumstance where a person or company does not require all of the NOBO lists in the reporting issuer's possession to provide for specific NOBO lists requests. This change is consistent with the ability of a reporting issuer to make specific NOBO lists requests under subsection 2.5(2) of the Instrument.

Subsection 6.1(2) has been amended. It now requires that a request for a NOBO list be accompanied by an undertaking in the form of Form 54-101F9 confirming the obligations with respect to a NOBO list. This replaces the requirement in the July Draft National Instrument for a statutory declaration in the required form. As noted above, this is a return to the proposal in the February Draft National Instrument and recognizes that a statutory declaration is not the most appropriate means of addressing promises with respect to future conduct as distinct from statements of existing fact. A similar change has been made to subsection 6.2(5). Subsection 6.1(3) has been added to specifically provide for the fee to be paid to reporting issuers that provide NOBO lists; this fee was already referred to in subsection 6.1(4). The time for a reporting issuer to respond to a requirement for existing NOBO lists has been extended from three business days to ten days, which is consistent with the time prescribed by the *Canada Business Corporations Act* for responding to requests for a securityholder list.

Part 9

Section 9.1

Section 9.1 of the July Draft National Instrument provided that the time periods applicable to send the proxy-related materials prescribed in the Instrument do not apply to the sending of annual financial

statements or annual reports if the statement or report is sent by the reporting issuer to beneficial owners of the securities within the time limitations established within applicable corporate law and securities legislation for sending to registered holders of the securities.

Changes from the July Draft National Instrument

Section 9.1 has been amended to clarify that the reference to sending, including the applicable time limitations, means direct or indirect sending in accordance with the Instrument.

Part 10

Part 10 has been amended to provide updated transitional provisions. The CSA are proposing that the proposed National Instrument come into force on July 1, 2001 but will apply to the sending of proxy-related materials only for meetings held on or after January 1, 2002. It is proposed that the proposed National Instrument apply to the sending of securityholder materials other than proxy-related materials occurring on or after July 1, 2001**.** The sending of proxy-related materials for meetings held between July 1, 2001 and January 1, 2002 are exempt from the proposed National Instrument so long as they are sent in accordance with NP 41.

In addition, no person or company shall be obliged to furnish a NOBO list under the proposed Instrument before September 1, 2001.

These changes are designed to permit participants in the securityholder materials distribution process adequate time to make necessary systems and operational changes.

Summary of Changes to the Proposed Forms

A number of changes were made to the proposed Forms in order to conform the Forms to amendments made to the proposed National Instrument.

The Client Response Form (Form 54-101F1) has been amended to remove all references to default elections in the event the form is not completed. In light of the obligation on intermediaries to obtain the instructions referred to in the form, the default provisions prescribed in the July Draft National Instrument were considered unnecessary and have been deleted. Conforming changes to the Client Response Form have also been made to clarify that a beneficial owner that declines to receive all securityholder materials will not receive annual reports and financial statements that are part of proxy-related materials for meetings at which only routine business is to be conducted, unless the reporting issuer elects, at its expense, and otherwise in accordance with the Instrument, to send these materials to all beneficial owners. This form has also been revised to provide for disclosure of any fees or charges the intermediary may require a client that is an OBO to pay in connection with the sending of security holder material. The definition of routine business in this form has been revised to restate the definition in the proposed National Instrument.

Provision has also been made in Form 54-101F1 for the intermediary, at its option, to advise OBOs that it may elect not to forward securityholder materials unless the beneficial owner or the relevant issuer pays the costs of delivery.

Provision has been made in Form 54-101F1 for the intermediary to obtain the electronic mail address of its client if the client has one.

Provision has also been made in the form to permit a consent to electronic delivery of documents to be obtained in the manner contemplated by proposed NP 11 -201.

References on the Client Response Form to an OBO being required to pay for the costs of delivery of securityholder materials have been deleted. The client response form may contain a place where an OBO can indicate its agreement to pay costs of delivery of securityholder materials that are not borne, or required to be borne, by another person or company.

The Request for Beneficial Ownership Information (Form 54-101F2) has been amended to make some provisions more clear and to conform with changes in the proposed National Instrument. The form now requires enclosure of an undertaking, rather than a statutory declaration, relating to use of any NOBO list provided in response to the request. The form has also been amended to remove the ability of a party requesting a NOBO list to indicate whether or not it wishes the list to be in electronic or non-electronic format. The response has been amended to require that if a proximate intermediary is able to do so, it must respond to a request for a NOBO list by providing it in electronic format.

The Request for Beneficial Ownership Information requires the reporting issuer to state whether the reporting issuer will pay the costs associated with the delivery of the securityholder materials to OBOs by intermediaries.

The Request for Beneficial Ownership Information has been revised to more specifically address the sending of materials other than by mail. It has also been revised to facilitate the request of information from intermediaries on the number of OBOs and NOBOs that have declined to receive the materials to the extent applicable, and on the aggregate number of beneficial owners who have consented to electronic delivery of documents by the intermediary to the beneficial owner. The form has also been revised to require the intermediary to state the number of OBOs with addresses, as shown in the records of the intermediary through which the OBO holds securities, in each jurisdiction, so as to facilitate the potential allocation of the costs of sending securityholder materials which may be dependant upon the jurisdiction in which the OBO is resident.

The Proximate Intermediary Response (also part of Form 54-101F2) has also been amended to require a warning on the response to the effect that it is an offence to use a NOBO list for purposes other than those provided for in the proposed National Instrument. A similar warning has been added to the Electronic Format for NOBO List (Form 54-101F5).

The Proximate Intermediary Response now also specifies that if a proximate intermediary is in a foreign jurisdiction and the law in that jurisdiction requires the proximate intermediary to deliver securityholder materials to beneficial owners including NOBOs, this fact may be stated in the response. This change conforms with the amendment to subsection 2.12(3) of the proposed National Instrument.

The Proximate Intermediary Response requires a proximate intermediary to state whether there are any intermediaries, that are entitled to decline to forward, and who will not forward securityholder materials to an OBO, unless the OBO, or the relevant issuer, pays the costs of delivery.

The Omnibus Proxy (Depositories) (Form 54-101F3) and the Omnibus Proxy (Intermediaries) (Form 54-101F4) have been amended to delete certain restrictions that previously appeared on the face of the form of proxy. They have also been amended to clarify that the proxies are given as at the beneficial ownership determination date for the meeting, with the inclusion of instructions to date and to sign the forms of proxy.

The prescribed electronic format for NOBO lists, Form 54-101F5, has been revised to use full calendar years in dates. It has also been reordered somewhat and amended to add space for NOBO's e-mail addresses, and to provide space to indicate if consent was given for electronic delivery by the intermediary to the beneficial owners, as contemplated by National Policy 11-201; except in respect of new clients, there is no existing obligation to collect this information, and it is recognized that these fields may not be completed for all NOBOs.

The form has also been amended to provide fields that disclose whether beneficial owners have consented to electronic delivery of documents and, in the case of OBOs, agreed to pay the costs of delivery of documents to them.

Request for Voting Instructions Made by a Reporting Issuer (Form 54-101F6) and the Request for Voting Instructions Made by an Intermediary (Form 54-101F7) have been amended to clarify the right of beneficial owners to attend meetings and vote in person by obtaining a legal proxy. These forms have also been amended to provide for inclusion of instructions for appointing an alternate proxy and to delete the previous references to the provision of return envelopes, reflecting the fact that the instructions may not be transmitted by mail.

The new proposed Form 54-101F8 is a legal proxy that can be used by a beneficial owner that receives proxy-related material and wishes to attend a meeting of securityholder rather than providing voting instructions. It has also been amended to require identification of not just the registered holder of the subject securities, but any intermediaries from whom the proxy is derived, in order to facilitate reconciliation.

Form 54-101F9 (previously Form 54-101F8) now consists of an undertaking rather than a form of statutory declaration.

Summary of Changes to the Proposed Companion Policy

This section describes changes made in the proposed Companion Policy from the July Draft Companion Policy. For a detailed summary of the contents of the July Draft Companion Policy, reference should be made to the July Notice.

Section 2.2

Subsection (1) of this section has been amended to reflect the changes to the terms of subsection 2.12(3) of the proposed National Instrument. It notes that if a reporting issuer is precluded from sending securityholder materials directly to NOBOs because of conflicting requirements of foreign law, it must send the materials indirectly through proximate intermediaries.

Section 3.1

Changes to the Draft Companion Policy

This section has been amended to reflect the changes to the timing requirements stipulated in sections 2.2, 2.3 and 2.5 of the proposed National Instrument and the addition of section 2.20 to the proposed National Instrument. It has also been amended to note that the minimum time frames in sections 2.9 and 2.12 of the National Instrument for the sending of proxy-related materials are minimum requirements and that good corporate practice dictates that certain materials be sent earlier than the minimum required dates in the Instrument.

Deletions from Part 3

Section 3.2 of the July Draft Companion Policy referred to the fee schedule identified in 1.5 of the July Draft National Instrument, attached as an Appendix to the July Draft National Instrument, and explained that the July Draft National Instrument required payment of fees in a reasonable amount, or in the case of British Columbia, a fixed amount. Section 3.2 also stated that the CSA considered the fees fixed by British Columbia to be reasonable, in light of current procedures and technology. As a result of the amendment of section 1.5, which eliminated the reference to an Appendix in the proposed National Instrument, the proposed National Instrument no longer contains a fee schedule. Section 3.2 of the July Draft Companion Policy has been deleted with the elimination of the Appendix.

Section 3.3 of the July Draft National Policy summarized sections 6.1 and 6.2 of the July Draft National Instrument. This was considered unnecessary and has been deleted. A new subsection 3.3(1) clarifies that a Request for Beneficial Ownership Information under subsection 2.5(2) of the proposed National Instrument may be for any class or series of securities, not just those with a right to receive notice of, or to vote at, a meeting, and need not necessarily be sent to all proximate intermediaries holding that class or series of securities. A new subsection 3.3(2) addresses the fact that a proximate intermediary must, if it is able to do so, respond to a request for a NOBO list by providing the list in electronic format. The new subsection 3.3(2) indicates that a reporting issuer that wishes a hard copy of a NOBO list should make arrangements for its transfer agent to convert the electronic format of NOBO lists that the transfer agent receives to a paper copy.

Section 4.1

Section 4.1 has been amended to provide that it is expected that proximate intermediaries will alert their clients to the costs and other consequences of the options in the client response form.

Section 4.3

Subsection 4.3(2) has been amended to clarify that the obligation of an intermediary to reconcile positions applies both to securities that are held directly and those held through nominees, depositories and other intermediaries.

Section 4.5

Section 4.5 is new and notes the obligations of an intermediary to notify each depository of changes in any information previously provided by it under section 3.1 of the Instrument within five business days of the change. This section notes that the five business days is a maximum and that it is expected that intermediaries will provide notice of such changes as soon as possible, and if possible, in advance.

Section 4.7

Section 4.7 is new and has been added to discuss the responsibilities of intermediaries to their beneficial owners apart from the sending of securityholder material. It restates paragraph (ii) of Part IX of NP 41.

Section 5.4

Subsection 5.4(4) has been added. It encourages proximate intermediaries to request e-mail addresses and consents from clients to permit the electronic sending of securityholder materials.

Subsection 5.4(5) has also been added. It refers to the obligation for intermediaries to seek from new clients their consent to electronic delivery of documents or to enquire as to whether or not the client would like to give their consent. It also clarifies the significance of information to be included in NOBO lists concerning whether or not the NOBO has consented to the electronic delivery of securityholder materials. It notes that this information may be of interest to a reporting issuer in connection with the reporting issuer's decision on whether to send materials directly to NOBOs and whether electronic delivery should be used for the sending. It cautions, however, that any consent of a beneficial owner in favour only of its intermediary cannot be used by the reporting issuer.

Section 5.5

Section 5.5 is new. It concerns the "householding" of materials and suggests that the delivery of a single set of securityholder materials to a single investor who holds securities of the same class and two or more accounts with the same address would satisfy the delivery requirements under the Instrument. It states that the sending of a single document in those circumstances is encouraged in order to reduce the costs of securityholder communications.

Section 6.3

Section 6.3 has been amended to delete the reference to materials being furnished "in bulk" to reflect the fact that materials may not always be transmitted in physical form.

Comments on proposed National Instrument, Forms and Companion Policy

Interested parties are invited to make written submissions with respect to the proposed National Instrument, Forms and Companion Policy.

The CSA request specific comment on whether the Instrument should in the definition of "send" contemplate electronic delivery only where consent is first obtained, or whether the Instrument should in

this respect conform to National Policy 11-201, which suggests, but does not specifically mandate, consent.

Submissions received by November 1, 2000 will be considered.

Submissions should be sent, in duplicate, to all of the Canadian securities regulatory authorities listed below in care of the Ontario Securities Commission as indicated below:

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Securities Commission
The Manitoba Securities Commission
Ontario Securities Commission
Office of the Administrator, New Brunswick
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Department of Government Services and Lands, Newfoundland and Labrador
Registrar of Securities, Northwest Territories
Registrar of Securities, Yukon Territory
Registrar of Securities, Nunavut

c/o John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 800, Box 55
Toronto, Ontario M5H 3S8

Submissions should also be addressed to the Commission des valeurs mobilières du Québec as follows:

Claude St Pierre, Secretary
Commission des valeurs mobilières du Québec
800 Victoria Square
Stock Exchange Tower
P.O. Box 246, 17th Floor
Montréal, Québec H4Z 1G3

A diskette containing the submissions (in DOS or Windows format, preferably WordPerfect) should also be submitted. As securities legislation in certain provinces requires that a summary of the written comments received during the comment period be published, confidentiality of submissions received cannot be maintained.

Questions may be referred to any of:

Diane Joly
Directrice de la recherche et du développement des marchés
Commission des valeurs mobilières du Québec
(514) 940-2199, Ext. 2150
email: Diane.Joly@cvmq.com

Glenda A. Campbell
Vice-Chair
Alberta Securities Commission
(403) 297-6454
e-mail: Glenda.Campbell@seccom.ab.ca

Robert Hudson
Manager and Senior Legal Counsel
British Columbia Securities Commission
(604) 899-6691
or (800) 373-6393 (in B.C.)
e-mail: rhudson@bcsc.bc.ca

Veronica Armstrong
Senior Policy Advisor
British Columbia Securities Commission
(604) 899-6738
or (800) 373-6393 (in B.C.)
e-mail: varmstrong@bcsc.bc.ca

Robert F. Kohl
Senior Legal Counsel, Corporate Finance
Ontario Securities Commission
(416) 593-8233
e-mail: rkohl@osc.gov.on.ca

Rescission of National Policy Statement No. 41

NP41 is replaced by the proposed National Instrument. The text of the proposed rescission is:

> "National Policy Statement No. 41 - Shareholder Communication is rescinded effective upon the date proposed National Instrument 54-101 comes into force."

Text of Proposed National Instrument, Forms and Companion Policy

The text of the proposed National Instrument, Forms and Companion Policy follow, together with footnotes that are not part of the National Instrument, Forms or Companion Policy, as applicable, but have been included to provide background and explanation.

DATED: September 1, 2000

APPENDIX A

LIST OF COMMENTERS
ON
PROPOSED NATIONAL INSTRUMENT, FORMS AND COMPANION POLICY

1. Caledonia Mining Corporation dated February 24, 1999
2. Canada Trust dated September 10, 1998
3. Canadian Investor Relations Institute dated September 18, 1998
4. Canadian Bankers Association dated September 15, 1998
5. Canadian Depository for Securities dated September 8, 1998
6. Canadian Corporate Shareholders Services Association dated September 15, 1998
7. Independent Investor Communications Corporation dated August 11, 1998
8. Investment Dealers Association of Canada dated August 20, 1998
9. Investors Group Financial Services Inc. dated September 14, 1998
10. Royal Trust dated September 15, 1998
11. Marketing News Publishing Inc. dated February 15, 1999
12. Security Transfer Association of Canada September 15, 1998

*13. Canadian Shareowners Association dated May 26, 1998

*14. Fairvest Investments dated June 19, 1998

* These letters contained comments on the February Draft National Instrument but were received following expiry of the comment period for that draft.

APPENDIX B

SUMMARY OF COMMENTS RECEIVED AND RESPONSE OF THE CANADIAN SECURITIES ADMINISTRATORS ON THE PROPOSED NATIONAL INSTRUMENT, FORMS AND POLICY

1. INTRODUCTION

On February 27, 1998, the Canadian Securities Administrators (the "CSA") published for comment proposed National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer (the "National Instrument"), Forms 54-101F1, 54-101F2, 54-101F3, 54-101F4, 54-101F5, 54-101F6, 54-101F7 and 54-101F8 (the "Forms"), the proposed Companion Policy 54-101CP (the "Companion Policy") and, in Ontario, the proposed Implementing Rule 54-801.[2]

Following a review of the comments received, the CSA published on July 17, 1998 a second draft of the proposed National Instrument, Forms and Companion Policy. The comment period for this second draft expired on September 15, 1998.

In this Notice, the version of these materials published in February are called the "February Draft National Instrument", the "February Draft Forms" and the "February Draft Companion Policy" respectively. The version of these materials published in July are referred to in this notice as the "July Draft National Instrument", the "July Draft Forms" and the "July Draft Companion Policy" respectively.

CSA received 12 submissions on the July Draft National Instrument. The commenters providing the submissions can be grouped as follows:

Mutual Fund Companies/Registrants 1
- Investors Group Financial Services Inc. ("IG")

Trade Associations 4
- Canadian Bankers Association ("CBA")
- Canadian Investor Relations Institute ("CIRI")
- Canadian Corporate Shareholders Services Association ("CCSSA")
- Security Transfer Association of Canada ("STAC")

Self-Regulatory Organizations 1
- Investment Dealers Association of Canada ("IDA")

Financial Institutions 2
- Canada Trust ("CT")
- Royal Trust ("RT")

Others 4
- Canadian Depository for Securities Inc. ("CDS")

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[2] (1998), 21 OSCB 1388.

- ADP Independent Investor Communications Corporation ("IICC"), whose comment adopted a letter of Stikeman, Elliott
- Market News Publishing Inc. ("MNP")
- Caledonia Mining Corporation ("Caledonia")

TOTAL **12**

Following expiry of the comment period for the February Draft National Instrument, CSA received comments on that draft from Canadian Shareowners Association ("CSha") and Fairvest Securities Corporation ("Fairvest"). Although the CSA consider that the points raised in those comments were adequately identified and addressed through the points raised by other comment letters in Appendix "B" to the July Notice, those two comment letters are also addressed specifically below.

Copies of the comment letters may be viewed at the office of Micromedia, 20 Victoria Street, Toronto, Ontario, (416) 312-5211 or (800) 387-2689; the office of the British Columbia Securities Commission, 200-865 Hornby Street, Vancouver, British Columbia, (604) 899-6660; the office of the Alberta Securities Commission, 4th Floor, 300 - 5th Avenue S.W. Calgary, Alberta, (403) 297-6454; and the office of the Commission des valeurs mobilières du Québec, Stock Exchange Tower, 800 Victoria Square, 22nd Floor, Montréal, Québec, (514) 940-2150.

The CSA have considered the comments received and thank all commenters for providing their comments. The July Draft National Instrument, July Draft Forms and July Draft Companion Policy have been amended to reflect a number of the comments, and are being republished for further comment.

The following is a summary of the comments received, together with the CSA's responses and, where applicable, the proposed changes in response to the comments. The republished versions of these instruments are called the "proposed National Instrument", the "proposed Forms" and "proposed Policy" in this Appendix. Terms used in this summary that are defined in the proposed National Instrument have the meanings ascribed to them in that Instrument.

2. GENERAL COMMENTS

Permitting Reporting Issuers to Send Material Directly to NOBOs.

The most controversial aspect of the July Draft National Instrument as evidenced by the comments received remained the proposal to permit reporting issuers to deliver securityholder materials that are proxy-related materials directly to NOBOs of their securities. The commenters that objected to this proposal continued to express the view that the proposal ran the risk of significant inefficiencies for those parties involved in the process of distributing securityholder materials. The comment repeated by several of the commenters, including the IDA, IICC, CT, CSha and the CBA, was that the existing shareholder communication process is operating efficiently and should not be changed (or that any changes should be within the NP41 framework). IDA noted that the number of complaints it received from shareholders had dropped to almost zero. These commenters raised concerns about short term

dislocation, thereby raising costs and undermining investor confidence in the efficiency and integrity of the shareholder communication process. The IICC described the July Draft National Instrument as a "compromise with no objective criteria against which it can be measured [and] no disciplined analysis of costs and benefits". It commented that the proposed Instrument will harm ordinary investors. The CSA were also criticized for their failure to carefully analyze the current process and consider all of the available alternatives. RT expressed the view that the proposed National Instrument will make the system unnecessarily complex, confusing, inefficient and costly for all parties. CSha noted it does not receive complaints about receipt of disclosure information and voting processes from its 14,000 members and expressed concern that opening up the mailing process to "self-service" by issuers may make the delivery of information to retail investors less effective than it is today. CSha commented that permitting issuers to conduct the proxy process may well lead to problems in the voting process and noted that unless regulators standardize forms and procedures for issuers, they are likely to use different formats for proxy voting which will add confusion to voting and thereby result in lowered voting rate by retail investors.

CCSSA, in contrast, commented that issuers continue to wish to be able to communicate directly with all of their shareholders and to have a choice of service provider in a free market competitive system and indicated that the changes in this regard contemplated by the July Draft National Instrument had its wholehearted support. STAC commented that it was time to move the agenda forward and implement the new National Instrument for the benefit of Canadian beneficial shareholders. Caledonia sought to register "in the strongest possible terms" its support for the July Draft National Instrument and commented that the change is long overdue.

Response

The CSA continue to believe in the principle and importance of issuers having access to information about their beneficial owners combined with the right and ability to communicate directly with their beneficial owners. That is the relationship that exists under corporate law between reporting issuers and registered holders of securities. The CSA are attempting, to the extent possible and practical, to put beneficial owners of securities in the same position as registered holders of securities.

The CSA have considered the concerns expressed about the possibility of reduced efficiencies, compared to the existing communication process. However, the CSA believe that the objectives outlined above, and the benefits that could result, are so important that they outweigh efficiency concerns relating to the mailing process.

Some commenters submitted that there was no need to change NP41 because reporting issuers were satisfied with the existing policy. To investigate this submission, the CSA sent survey questionnaires, in English and French, to 200 reporting issuers that had been randomly selected, and to all reporting issuers comprising the TSE 35. This was followed by a second survey of the same issuers, containing a few slightly revised questions. A total of 78 and 83 issuers responded to the first and second surveys, respectively.

A majority of issuers that responded were either "unsatisfied" or "very unsatisfied" with the existing system of securityholder communications. They wanted the opportunity to communicate directly with beneficial owners of their securities. In response to a question about the likelihood that they would use

a list of their beneficial owners to send out proxy-related materials, a substantial majority of the issuers replied that it was "somewhat" or "very likely" that they would do so. Two-thirds of the issuers would also use the list to send other materials, such as press releases, to beneficial owners.

In addition to conducting the survey, CSA staff, during on-site meetings, analyzed "back office" systems used by participants in the securityholder communications process. The results of this analysis have influenced the proposed National Instrument. However, the CSA have not been able to achieve a complete consensus concerning the proposed National Instrument, because certain market participants have mutually exclusive interests. The proposed National Instrument represents what the CSA believe is an appropriate balancing of interests.

Application to Non-Proxy-Materials

The IICC noted that the July Draft National Instrument did not make its procedures mandatory with respect to distribution of non-proxy materials and proposed that a uniform procedure should apply in respect of all shareholder materials and in particular corporate actions.

Response

The rationale for making the proposed National Instrument permissive rather than mandatory with respect to non-proxy materials, as is the case under NP41, was explained in the July Notice. While the CSA encourage the use of the regime established under the proposed National Instrument for non-proxy materials, they do not feel it is appropriate to make the use of that regime mandatory at this time for all distributions given the general lack of consensus on the point and the desire not to hold up the implementation of the proposed National Instrument.

Loss of Confidentiality

CT expressed the view that loss of confidentiality will result from the implementation of the proposed National Instrument. The concern expressed was that confidentiality could only be maintained if a beneficial owner opts to become an OBO, which imposes on the beneficial owner certain costs related to securityholder communications. CT also commented and expressed concern that it would have no control over how information required to be provided by it to others would be used.

Response

The confidentiality rights in the proposed National Instrument reflect those in NP41. The beneficial owner of securities will continue to have the express right to remain anonymous to reporting issuers.

Loss of Control

CT commented that its clients should be able to expect that it would be in control of processes that affect their accounts but that under the proposed National Instrument it will lose the control it had under NP41 of the mailing process.

Response

If a trust company, for example, is uncomfortable with the concept of direct mailing by reporting issuers to the trust company's clients, it is open to the trust company to address this issue in its client agreements by requiring all of its clients to be OBOs and thus continue the process as it currently exists under NP41.

Non-Delivery of Material

The CBA suggested that further consideration be given to specifying in the proposed National Instrument that an intermediary is not responsible for the non-delivery of material to NOBOs where a reporting issuer has elected to distribute the material directly.

Response

The CSA regard this as a client relationship issue that may be addressed by each intermediary in a manner satisfactory to both it and its client.

Securities Lending

CBA proposed that the proposed National Instrument address the legal issue as to who, as between a borrower or lender of securities, is entitled to vote. CCSSA also identified this as a gap in the July Draft National Instrument.

Response

The proposed National Instrument addresses a process for securityholder communications, not the rights of securityholders. The CSA believe that the issue of who votes the securities that are subject to a securities lending arrangement is a contractual matter between the borrower or lender and beyond the scope of the proposed National Instrument. Market participants, however, cannot under the proposed National Instrument vote any securities that they are not lawfully entitled to vote. Where securities lending has occurred, section 4.3 of the proposed Companion Policy applies and in reconciling positions, the intermediary should only consider securities it or its clients have the right to vote.

Benefits of Competition and Economies of Scale

IDA in its comments commented that the proposed National Instrument provides no clear vision of how the proposed change will actually work and expressed scepticism that the benefits of competition anticipated by the proposed National Instrument will in fact be realized. It noted that the revenue of the "monopoly" provider of the proxy solicitation service was less than $8 million in 1997. IDA commented that if the revenue available for shareholder communications is fragmented among many providers, the likely result will be that existing systems will not continue to improve. RT commented that further analysis was required as to whether economies of scale would result from the introduction of the proposed Instrument. Similarly, IICC commented that it might be helpful to retain outside expertise to review whether there are additional economies of or efficiencies of scale that might be exploited in the shareholder communications process. IICC went on to critique the CSA analysis in the

July Draft of the efficiencies of the proposed system. IICC criticized CSA for disregarding the cost and expense implications arising from the July Draft National Instrument which it believed disregards market realities, would hamstring current technology and remove incentives to develop and implement new technology. IICC commented that opportunities to automate using electronic communications will be lost under the draft instrument and that electronic links with CDS that currently provide all specifications necessary for initiating and completing the shareholder communication process in connection with meetings will no longer be possible. IICC commented that it was an obvious step backwards to require intermediaries to keep both hard copies and electronic forms of NOBO lists because "certain issuers and third parties may not have the technical capacity to receive an electronic list". CSha similarly commented that it was unclear whether issuers would have the resources to keep abreast of emerging electronic technology for distributing information and conducting voting or would have the inclination to develop new technology for delivering information and retrieving votes. CCSSA was supportive of the proposed National Instrument and indicated it would support an in-depth analysis of the current process and its true costs which might identify ways of reducing the complexity of the proposed National Instrument and increasing its cost effectiveness.

Response

Industry consultation with experts in securityholder communities has been ongoing since 1988 and continues.

The proposed National Instrument has been amended to require that all requests for beneficial ownership information must be made using the services of a transfer agent. The CSA believe this will better facilitate an efficient communications process and encourage a limited number of entities to make investment in changing technologies which will allow them to optimally perform the required task. The CSA also note that the proposed National Instrument permits the option of continued use of the existing system or the option of direct mailing to NOBOs; the CSA expect market forces will lead issuers to the system most appropriate for their own situation.

The proposed National Instrument has been drafted so as not to require manual transmission of information in documents and does not preclude reporting issuers (through their professional transfer agents) from exploiting innovations that can be developed in the registered holder environment. Transfer agents and other potential service providers can make use of efficiencies that they have developed in their existing business operations and may be able to piggyback on technologies used by their parents or affiliates.

With respect to the comment concerning the electronic links with CDS, the CSA have investigated this point with CDS and have determined that the electronic link referred to is merely an early notice of record dates/meeting dates (not prescribed in NP41) that is also provided to "back-office" service providers. The CSA understand that CDS would continue to provide this linkage to IICC and would produce this linkage to other parties, including transfer agents, upon their request.

The CSA note that under the proposed National Instrument, intermediaries are only required to generate hard copies of NOBO lists on request. This parallels requirements under securities legislation that registrants be able to generate hard copies of computerized records. The proposed National

Instrument contemplates recovery of reasonable costs to intermediaries required to provide a hard copy. There is no requirement in the proposed National Instrument to keep hard copies on hand.

Trust Companies' Fiduciary Responsibilities

RT commented that many institutional investors, including pension and mutual funds limit their trustee's power to vote to acting only on the direction of professional fund managers and at present it has retained IICC as its agent for the purpose of forwarding materials to these professionals, obtaining and tabulating the voting decisions, and then transmitting the vote on its behalf. RT expressed concern that issuers may expect that, under the proposed National Instrument, they can elect to replace the role of IICC and may not realize that the trustee votes the substantial holdings of institutional investors and that it is unlikely that the trustee will appoint issuers as agents to assist them with the trustee's duties.

Response

As with NP 41, a beneficial owner holding securities through an intermediary is free to organize its account with an intermediary in whatever manner is most appropriate to it. In the situation raised by RT, a trustee that has made arrangements with portfolio managers concerning how securities are to be voted is free to be shown on the records of the intermediary as a "beneficial owner" of those securities under the proposed National Instrument. There is no requirement in the proposed National Instrument that an issuer be advised of the arrangements between the trustee and the portfolio managers. Therefore, even if the trustee elects to be a NOBO, the issuer would deal only with the trustee, as only the trustee's name would appear on a NOBO list. The issuer would not be involved in the relationship between the trustee and portfolio managers. Alternatively, the trustee could elect to be an OBO, in which case the trustee would not deal directly with any issuers at all.

Documentation

CCSSA expressed concern that an issuer that mails indirectly one year and directly another might inadvertently overlook its obligation to print, in addition to a proxy form for registered holders, a request for voting instructions for non-registered holders and include the prescribed wording in the proxy-related materials to the effect that the names of non-registered holders were obtained from intermediaries.

Response

Issuers that change their method of contacting NOBOs will have to be attentive to the requirements of the proposed National Instrument including the obligation to include the prescribed wording concerning the source of names of non-registered holders.

Gaps in the July Draft National Instrument

CCSSA commented that there are gaps in the July Draft National Instrument. It noted that it understood that most institutional holders will elect to be OBOs and therefore issuers will still not know who their major shareholders are and proxy returns will remain low. CCSSA also commented that the

July Draft National Instrument did not provide for a proximate intermediary to obtain a certificate of mailing from all intermediaries down the chain and therefore the reporting issuer will not know if the integrity of the mailing was maintained.

Response

The proposed National Instrument has been structured to accommodate beneficial owners that choose to remain anonymous and the CSA believe the proposed National Instrument strikes an appropriate balance between privacy interests and achieving efficiencies in securityholder communications. Indeed, with respect to institutional owners that choose to remain anonymous, this choice may also be available to them in the registered environment if they use nominees to hold their position. The CSA understand that, in many circumstances, issuers are able to ascertain institutional ownership by other means, including circumstances in which the institution directly advises the issuer.

The absence of a requirement for a certificate of mailing by intermediaries that are not proximate intermediaries is not new to the proposed National Instrument. No such requirement exists under the current NP 41 if there is a "tiering" of intermediaries. The provisions of the proposed National Instrument have been designed to deal most effectively with the more conventional circumstance in which the proximate intermediary holds securities on behalf of beneficial owners (rather than on behalf of other intermediaries that may in turn hold on behalf of beneficial owners or other intermediaries). While the proposed National Instrument might be able to achieve a theoretically pure result by establishing express provisions for certification and reimbursement of expenses at each tier of intermediary holdings, prescribing such additional administrative arrangements would likely be unnecessarily cumbersome and not justify the additional benefits; it would also preclude circumstance-specific arrangements being tailored for each multi-tiered situation. The CSA anticipate that, in the multi-tiered situations, intermediaries will make appropriate arrangements as between themselves for allocating delivery responsibilities to beneficial owners and the sharing of the corresponding amounts to be claimed through the proximate intermediary in certifying delivery to beneficial owners.

3. COMMENTS ON SPECIFIC PROVISIONS OF THE DRAFT NATIONAL INSTRUMENT[3]

Definition of intermediary (Section 1.1)

CCSSA questioned whether the CSA had completely satisfied themselves that the exclusions from the definition of intermediary will not further reduce the level of proxy returns and commented that it is important from a corporate governance perspective that issuers be able to raise their proxy returns. The CSA understand this concern to relate to the exclusion from the definition of persons or companies that hold securities only as custodians.

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[3] Section references are to section numbers in the proposed National Instrument.

Response

The definition of intermediary in the proposed National Instrument has been clarified. Custodians that are excluded from the definition of "intermediary" are limited to those persons or companies that hold securities on behalf of other persons or companies where the securities are not registered in the name of the custodian on the books of the issuer or identified as being owned by the custodian as a participant in a depository.

Fees (Section 1.5)

The July Draft National Instrument contained as Appendix A, a fee schedule that stipulated the fees in British Columbia and required fees otherwise to be "a reasonable amount". Concerns were raised by IICC as to the clarity of these provisions and as to whether or not CSA were adopting the fees prescribed in B.C. as "reasonable". CIRI commented that it believed that the fees published in one jurisdiction would become the minimum benchmark in other jurisdictions. It indicated that it did not agree that third parties be required to pay a flat fee of $100 per NOBO list while issuers, particularly those with broad shareholder bases were exposed to significantly higher fees. CCSSA also expressed concern about the quantum of the fees set out in Appendix A to the July Draft National Instrument, including the fees to be paid to proximate intermediaries for sending materials to NOBOs and OBOs and the fee to be paid by a third party which requests a NOBO list from a reporting issuer.

Response

The fee provisions in the proposed National Instrument have been changed. Section 1.5 of the proposed National Instrument now simply indicates that fees shall be the amount prescribed by the applicable regulator or securities regulatory authority or, where no amount is so prescribed, a reasonable amount. Consequently, the only present restriction is that the fee be a "reasonable amount".

Timing Requirements (Sections 2.2, 2.5, 2.9, 2.12 and 4.2)

IICC and CCSSA noted the non-inclusion in the July Draft National Instrument of timing requirements applicable to notification of meeting and record dates and requests for beneficial ownership information. IICC expressed the view that mandatory deadlines, or at least some guidelines, were needed and that their absence would lead to strained relations among issuers, intermediaries and investors as well as compliance problems. CCSSA recognized that the intent of removing these timing requirements was to allow flexibility in calling meetings on shorter notice but expressed concern that the caution to issuers that they must start the process early enough, which was contained in the July Draft Companion Policy, should be more prominent since it is a natural tendency to push deadlines to the limit and some issuers could unwittingly be in default of giving adequate notice of their meetings. Other commenters, including CCSSA, commented that it was unrealistic to set the deadline for delivery of bulk materials to intermediaries for the latter to mail, at three business days plus 21 days before the day of the meeting with a proximate intermediary being required to mail the material within three business days and each intermediary down the chain required to mail the materials in one business day. The view was expressed that these requirements were unrealistic and could result in some materials being mailed to the ultimate recipient less than 21 days before the meeting.

Fairvest commented that the shortening of the deadline for reporting issuers to deliver proxy materials in bulk to intermediaries from 33 days to a minimum of 21 calendar days plus three business days before the meeting could have negative consequences, including making dissident campaigns more difficult. Fairvest noted that there will be less time for shareholders to understand details of contentious management proposals and less time for a shareholder who wishes to solicit votes against a proposal to mount an effective campaign.

Response

Subsections 2.2(1) and 2.5(1) have been amended to reinstate the timing requirements from NP 41 for giving notification of meetings and requesting beneficial ownership information.

A new Section 2.20 has been added to the Instrument. It provides that an issuer may abridge the time for providing notification under subsection 2.2(1), or requesting beneficial ownership information under subsection 2.5(1), by filing with the regulator at the time it files its proxy-related material a certificate of one of its officers, reporting that it is relying upon section 2.20 and that it has arranged to have proxy-related materials for the meeting sent in compliance with the Instrument to all beneficial owners at least 21 days before the date fixed for the meeting, and to have carried out all of the other requirements of the proposed National Instrument. It has been added in connection with the amendments made to sections 2.2(1) and 2.5(1) wherein specific time frames were reinstituted for providing notification of a meeting and requesting beneficial ownership information. Section 2.20 allows the time frames prescribed in section 2.2(1) and 2.5(1) to be abridged by filing the required officer's certificate.

A new provision has been added to section 4.2 of the proposed National Instrument to require that a reporting issuer that wishes to send proxy-related material by prepaid mail other than first-class mail must send the material to the proximate intermediary one day earlier than would be the case if the material is to be sent by other means. This change is intended to provide proximate intermediaries one extra day to complete the extra steps required when securityholder materials are to be sent by mail other than first-class mail. The CSA have not otherwise changed the requirement that the proximate intermediary be required to mail the materials within three business days of receipt and that each other intermediary down the chain be required to mail the materials in one business day. The proposed Companion Policy has been amended, however, to stipulate that intermediaries should make appropriate standing arrangements to ensure that any associated delay in sending material is minimized.

With respect to the reduction in the minimum window for review of materials by beneficial owners, the CSA note that issuers have routinely been able to obtain relief to permit the corresponding period to be reduced to 21 days under NP41. Moreover, the 21-day period exactly corresponds with the required period for review by registered holders under certain corporate law and certain securities legislation. The Companion Policy has, however, been amended to make clear that the 21-day period should be considered an absolute minimum.

Omnibus Proxy vs. Omnibus Power of Attorney (Paragraph 2.3(1)(d), Sections 2.16 and 2.17, Paragraph 4.1(1)(c), Sections 4.5 and 5.4 and Paragraph 8.2(b))

Stikeman, Elliott, on behalf of STAC, repeated a submission made by it in response to the February Draft National Instrument to the effect that the provisions of the July Draft National Instrument

concerning voting by beneficial owners raise some legal and procedural concerns and fail to achieve the stated fundamental objective of equal treatment of registered and beneficial owners of securities.

In order to deal with this perceived problem, STAC proposed an alternative approach to that proposed in the July Draft. The major steps in the proposal were as follows:

- re-characterizing the omnibus proxy for depositories as an omnibus power of attorney to better reflect the function and legal effect of this delegation of voting authority. STAC commented that the use of the term "proxy" is a misnomer insofar as Form 54-101F3 does not really constitute a "proxy" as such term is defined under applicable corporate law;

- the substitution of a standing omnibus power of attorney for the sub-delegation of voting authority from intermediaries to beneficial owners in place of the omnibus proxy for intermediaries. STAC commented that this level of subdelegation, which is arguably necessary under corporate law to permit personal voting by beneficial owners, was not provided for under the July Draft National Instrument;

- the delivery of issuer proxies to NOBOs in respect of meetings where the issuer has elected to deliver proxy-related materials directly to NOBOs, the voting of which may be reconciled directly by issuers or their agents; and

- the introduction of a form of "legal proxy" similar to that currently in use in the United States to permit OBOs, and those NOBOs to whom proxy-related materials are not delivered directly, to attend and vote in person at meetings. STAC commented that such legal proxies permit intermediaries to reconcile beneficial owner voting prior to completing a combined proxy and allow holders thereof to be identified as securityholders at a meeting.

STAC commented that these proposals would make administration of the Instrument more efficient through elimination of the need to handle large quantities of intermediary omnibus proxies and would permit beneficial owners to attend and vote in person at shareholder meetings; STAC commented that this was consistent with the stated fundamental principle that all shareholders be treated alike wherever possible.

Response

This alternative has been examined extensively by CSA staff. Although the CSA consider the proposal attractive in a number of ways, the CSA have not adopted the proposal as they are concerned that some elements of the proposal cannot be reconciled with the approach prescribed by certain sections of the *Canada Business Corporations Act* ("CBCA"), particularly section 153 of the CBCA. The proposal may be revisited if the CBCA is in the future amended in such a way as to permit the proposal.

However, the CSA have introduced a form of legal proxy to permit a beneficial owner to attend and vote personally at meetings, following some of the suggestions of STAC.

Statutory Declaration in Requests for Beneficial Ownership Information (Subsection 2.5(3))

STAC commented that the requirement in the July Draft National Instrument for a statutory declaration from a party seeking beneficial ownership information when a NOBO List is requested serves no operational purpose, and is contrary to the stated fundamental principle that efficiency in the beneficial shareholder communication process should be encouraged.

Response

The CSA have concluded that it is preferable that an undertaking be used to confirm the obligation of persons or companies with respect to NOBO lists rather than a statutory declaration as contemplated in the July Draft National Instrument. This is a return to the proposal in the February Draft National Instrument. This change recognizes that a statutory declaration is not the most appropriate means of addressing promises with respect to future conduct as distinct from statements of existing fact. Consequential changes have been made to Forms 54-101F2 and 54-101F9.

Fees for Sending Materials Indirectly (Section 2.14)

CCSSA commented that if an issuer sends securityholder materials by admail, the issuer should not be required to pay the mailing agent's reasonable costs of the admail sort. CCSSA submitted that this should be the mailing agent's cost of doing business. It further commented that the notion of "reasonable" is subjective. It noted that an issuer may request admail in an attempt to achieve some cost effectiveness and to promote shareholder value but if the issuer's savings were eroded by the cost of the admail sort, the object of using it would be defeated

Response

It is open to issuers to negotiate different arrangements with mailing agents.

Allocating Costs (Sections 2.14 and 3.7)

Objections were raised by several commenters to the provisions in the July Draft National Instrument that required OBOs to bear the cost of receiving securityholder materials indirectly when a reporting issuer sends such material directly to NOBOs. CT commented that the implementation of the July Draft National Instrument would lead to increased costs which would lead to increased fees to clients. CT expressed the view that costs of all mailings should continue to be the responsibility of the reporting issuers. CBA expressed the view that in order for the costs of confidentiality to be borne by OBOs, an extremely onerous process would need to be implemented including system changes, revised client agreements, Revenue Canada approval and revised fee schedules as well as detailed collection procedures. The CBA also commented that to be effective, the proposed National Instrument should prescribe how cost recovery is to be effected in the event an OBO fails to remit the fee. The IICC also challenged the CSA statement in the July Notice that the holding of securities by intermediaries and their requests for confidentiality increased communication costs throughout the system significantly and the use of this assumption by CSA as the basis for determining that OBOs should pay the costs associated with remaining anonymous; IICC commented that the CSA's premise was wrong and that in fact the common practice of holding securities by intermediaries substantially reduces the cost for issuers.

Response

The CSA have resolved to be silent on that issue and allow the market to permit how the costs of delivery to OBOs will be borne where the matter is not addressed by local rule.

The CSA have resolved to be silent on the allocation of costs with respect to delivery of securityholder materials to OBOs and allow the market to determine how those costs will be borne.

Updates to Intermediary Master List (Subsection 3.1(2))

CDS noted that under the proposed National Instrument, which requires an intermediary to advise depositories of changes to information on the Intermediary Master List within five business days of the change, the list could be out of date for as long as five business days.

Response

The five-day period is a maximum requirement. A new section 4.5 to the proposed Companion Policy has been added to clarify that CSA's expectation that intermediaries will give notice of change as soon as possible and, if possible, in advance so as to avoid prejudice to their client.

Decline of Receipt of Materials (Section 3.2)

The CBA proposed that consideration be given to incorporating the option of allowing any shareholder to decline to receive all materials, including proxy-related materials for meetings at which non-routine business would be conducted. RT, by contrast, indicated it did not support the concept of beneficial owners being able to decline all materials and commented that it believed that in the case of corporate actions, all registered and beneficial holders must receive the material, whether or not they have requested it. RT also commented that the proposed definition of "routine materials" will probably result in more material being distributed to beneficial owners with an increase in costs for issuers.

Response

The CSA believe that the proposed National Instrument, by allowing beneficial owners to decline to receive some but not all securityholder material, reaches the appropriate balance. The CSA believe that all securityholders should receive proxy-related materials for meetings at which non-routine business will be conducted.

Deemed Elections (Section 3.3)

CIRI commented that the July Draft permits intermediaries to rely on choices previously made by shareholders under NP41 relating to receipt of materials and confidentiality. It noted that under the July Draft National Instrument no response is deemed to indicate the shareholder does not want to receive material. CIRI commented that the proposed National Instrument recognizes that the prior forms were very complicated and expressed the view that current NOBO lists are inaccurate. It recommended that intermediaries be required to request new instructions.

RT commented that in spite of the provision of the July Draft National Instrument permitting intermediaries to rely on their clients' instructions submitted pursuant to NP41, RT would feel compelled to canvass its entire client base for their instructions to preclude any possibility of breaching its fiduciary obligations to trusts or compromising its position on client confidentiality.

Response

The CSA view CIRI's and RT's comments as raising a client relationship issue. The proposed National Instrument does not compel an intermediary to conduct such a canvass. If an intermediary feels that it should conduct such a canvass, it is free under the proposed National Instrument to do so.

Index of Meeting and Record Dates (Section 5.2)

MNP noted the requirement that depositories disseminate information concerning company meeting dates and record dates through the national financial press. MNP noted that it is in the business of collecting and electronically distributing information on publicly traded companies and that its service is widely available to and used by brokers across Canada. It noted, however, that it cannot currently obtain information from CDS concerning meeting dates and record dates without paying CDS a $20 per day subscription fee. MNP commented that while publication of meeting and notice dates in a national financial newspaper represents broad dissemination to the investing public, it requires that investors be diligent and proactive about obtaining such information. MNP indicated that it could make the list of meeting and record dates more easily accessible to brokers and investors and requested that it be included in the minimum publication requirements for distributing the list of meeting and notice dates.

Response

The proposed National Instrument has "codified" the long-standing existing practice established under NP41. The concern identified by the commenter has not previously been identified in comments received on previously-published versions of the proposed National Instrument. This is a point that can be revisited in the future. The CSA have instructed their NP 41 Committee to investigate, including consideration of the feasibility of making meeting and record date information more accessible (e.g., on the SEDAR or other website).

Third Party Requests for NOBO Lists (Part 6)

CIRI indicated agreement with the change that permitted third parties to request NOBO lists directly from intermediaries with the proviso that issuers are provided with copies of such requests. It queried whether third parties were also to be free to obtain the most recent list from reporting issuers.

IG noted the absence in the proposed instrument of any requirement that an intermediary advise a reporting issuer of a request made by a third party for a NOBO list and commented that it believed that it was appropriate to include in the proposed National Instrument a provision for notification to be given by an intermediary to a reporting issuer if a NOBO list is requested directly by a third party.

CCSSA expressed concern that the July Draft National Instrument permitted third parties to obtain a NOBO list directly from proximate intermediaries and mail material directly to beneficial holders. Although the July Draft National Instrument required a third party to advise the issuer at the time of requesting a list, CCSSA commented that if there was no monitoring mechanism, the issuer may not be advised, or may be advised too late. CCSSA also expressed concern that intermediaries might supply NOBO lists indiscriminately without, for example, checking the Statutory Declaration contemplated by the July Draft National Instrument.

CCSSA also noted that the form of Statutory Declaration attached to the July Draft National Instrument facilitates the obtaining of a NOBO list compared with obtaining a registered holders list pursuant to the legislation and queried to whom the Statutory Declaration was to be sent. CCSSA also commented that the cost for a NOBO list should not be prescribed as $10 per intermediary but should be required to be "reasonable" which would be consistent with the provisions of corporate legislation. CCSSA also noted that if non-registered shareholders knew it was going to be easier for a third party to obtain a NOBO list, they might wish to become OBOs but that they may never know it will be easier because intermediaries will not be required to solicit new instructions and an annual reminder from the intermediary to the client concerning its existing instructions will no longer be required.

CCSSA also commented on the provision in Section 6.1(3) of the July Draft National Instrument which required a reporting issuer to send a NOBO list requested by a third party within three business days. CCSSA noted that the reporting issuer will have to remove the FINS numbers. It commented that the amount of work involved in this is unknown and that it is unclear whether this can be achieved within the required three business days.

Response

The proposed National Instrument allows a third party to request a NOBO list from either the reporting issuer or directly from intermediaries.

Section 6.2(4) of the proposed National Instrument requires that a copy of all intermediary search requests and all requests for beneficial ownership information be provided to the reporting issuer.

The CSA accept that it may be unreasonable, in certain circumstances, to expect an issuer to reply to a request for an on-hand NOBO list within 3 days. The CSA note that the timing for similar responses by an issuer to a request for a securityholder list under certain corporate legislation is ten days (e.g., section 21(3) of the CBCA). The CSA recognize that requests for on-hand NOBO lists may arise infrequently and that the issuer is not in the business of responding to such requests (and may not have the infrastructure to reply promptly). The CSA propose to harmonize the requirement in the Instrument to the CBCA.

Third Party Use of NOBO Lists (Part 6)

CIRI recommended that the proposed Instrument specify that NOBO lists can only be used by persons other than reporting issuers in proxy-related matters. It expressed concern that NOBO lists could be used by third parties for purposes other than those requiring the solicitation of securityholder votes. It

indicated that it believed that the proposed National Instrument should state clearly that the use of the procedure set out in the Instrument by parties other than the issuer is mandatory.

Response

The CSA believe that the prohibitions on the misuse of NOBO list satisfactorily address concerns about their misuse. Any party seeking a NOBO list must undertake not to misuse it and all NOBO lists must contain a warning about their misuse. The potential for misuse has been limited by requiring FINS numbers to be deleted from NOBO lists not requested in relation to a meeting. The CSA do not believe that it is advisable to make the procedures set out in the proposed Instrument mandatory for parties other than issuers at this time given the general lack of consensus on the point and the desire not to hold up implementation of the proposed National Instrument

Y2K Issues and the Implementation Date (Part 10)

A number of commenters (CT, RT, CBA, IDA, IICC) raised concerns about the fact the proposed National Instrument would require significant systems changes during a time when many market participants will be preoccupied with the Y2K challenge. CBA urged that the transition period for proxy-related materials be extended to on or after March 1, 2001. CIRI commented that it believed the implementation date in the July Draft National Instrument was reasonable. CCSSA expressed disappointment that the July Draft National Instrument proposed to delay implementation from the earlier date contemplated by the February Draft.

Response

It is now proposed that the proposed National Instrument come into force on July 1, 2001 but that it not apply to meetings that take place before January 1, 2002 and that NOBO lists not be required to be prepared before September 1, 2001. The proposed National Instrument incorporates the procedures and requirements of NP 41 for meetings held between July 1, 2001 and January 1, 2002.