CSCS 54-101 Member Survey

Question 1

Are you with an issuer company (publicly traded on a stock exchange)?

Yes (1)	54 (75%)
No (0)	18 (25%)
Total*	71

General Meetings Only or General and Special Meetings

The current proposal allows the use of notice and access only for meetings that are not special meetings until there is a better understanding of the impacts. Special meetings are defined as only those meetings at which a special resolution being brought forward. So, items such as a name change, stock split, dissolution, etc. would prevent the use of notice and access for that meeting.

This requirement may limit the number of issuers that can take part in the program.

Additionally, there is already three years of evidence from US issuers operating under similar legislation. In the US the three key impacts of the original legislation were:

- a significantly reduced level of voting by retail shareholders who received a notice and access package rather than a full information circular;
- Initial confusion for shareholders about how to vote because the original legislation did not allow a proxy or voting information form to be included in the notice and access package. Canadian rules include a proxy or voting information form (as do amendments now in effect in the US); and
- Timelines for issuers were tightened as information had to be posted and mailed earlier than if mail only was used.

Finally, issuers will be sensitive to the possible impact on voting of using notice and access, especially when there are important items of business or special resolutions at the meeting. As a result, there may be very little reason to disallow the process for any type of meeting.

Question 2

Should notice and access be allowed for all types of shareholder meetings (general and special)?

Full Results

Yes (1)	39 (74%)
No (0)	15 (28%)
Total*	54

Issuer Results

Yes (1)	31 (74%)
No (0)	12 (28%)
Total*	43

Non-Issuer Results

Yes (1)	8 (73%)
No (0)	3 (27%)
Total*	11

Question 3

How many annual meetings has your company had in the past five years that had a special resolution on the agenda?

Full Results

None (1)	10 (19%)
1 (2)	6 (11%)
2 (3)	19 (35%)
3 (4)	8 (15%)
4 (5)	7 (13%)
5 (6)	4 (7%)
Total*	54

Issuer Results

None (1)	6 (14%)
1 (2)	5 (12%)
2 (3)	16 (37%)
3 (4)	7 (16%)
4 (5)	7 (16%)
5 (6)	2 (5%)
Total*	43

Non-issuer Results

None (1)	4 (36%)
1 (2)	1 (9%)
2 (3)	3 (27%)
3 (4)	1 (9%)
4 (5)	0 (0%)
5 (6)	2 (18%)
Total*	11

Question 4

What restrictions, if any, should there be on when notice and access may be used?

Issuer results are not highlighted; non-issuer results are highlighted

none

None. Need to be careful with special meeting language as corporate statutes limit special meetings to more stringent conditions than NI 54-101 as specials for securities purposes also include share compensation arrangement approvals which do not require special resolutions.

Where there is a significant transaction for which shareholder approval is sought notice and access should not be used. However, other special business, like approving an increase to the stock option plan, could be done by notice and access.

Notice and access should only be used for general meetings. For any meeting that has special business, the rule should be that an issuer must provide the circular as usual so that the special business is more emphatically pointed out. The notice and access should be possible via electronic means (i.e. email) if the shareholder makes that election. If this is the case, the special meeting should still have electronic notice with an advisory that the circular is being mailed.

I can't think of any restrictions that would be necessary.

Suggest it's more appropriate for an annual meeting with no special business. Also, think it should be optional.

When there is a special resolution requiring 66.6% of the vote.

Notice and access should always be available for annual business and special business (note that under the CBCA, say-on-pay resolutions are deemed to be "special business"). The avoidance of the environmental and financial costs of printing and mailing information circulars far outweighs the inconvenience of having to make a request or view a document online. Availability for "special resolution" business should be a priority, as costs are highest regarding these mailings.

None. Shareholders want to be increasingly active in the issuer's processes they can take responsibility to keep their information current to receive and respond to meeting material

None

No restrictions should be placed on when it can be used. If only for regular meetings, it won't be useful to very many issuers.

There should be no limitations. The world has changed, and continues to even more rapidly change. People are using the internet more & more, and even my own "elderly" parents are tech savvy now (dad 82, mom 79). NO ONE responds to paper solicitations anymore !!!!!!

none

We believe that all shareholders have a right to attend annual meetings however, if a shareholder does not know how to conduct himself and starts yelling, screaming or not obeying the rules of the meeting, he/she should be removed to allow other shareholders to express proper opinions or ask questions.

none

None - should be at the Issuer's discretion.

We do not believe any restrictions are warranted given that under the proposed notice-and-access model, the notice mailed to shareholders will be accompanied by a proxy form or voting instruction form.

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Simplification of the Beneficial Owner Proxy Appointment Process

The CSA has received feedback from stakeholders that the current process for a beneficial shareholder to vote in person at a shareholder meeting is both long and confusing.

In order to solve this issue they propose amendments that would require intermediaries and issuers to:

- arrange to appoint the beneficial owner as proxy holder, if she so requests, at no expense to the beneficial owner; and
- deposit the proxy by any relevant cut-off.

Rather than imposing a specific process, the CSA proposes to allow participants in the system to determine how to best carry out these requirements, including by using the form of appointment often used in existing voting instruction forms.

Question 5

What, if any, concerns do you have on the proposed amendments? For example, do you have concerns with the ability of intermediaries or your organization to carry out the requirements in the absence of a specifically required process?

Issuer results are not highlighted; non-issuer results are highlighted

none

none

NO concerns with transfer agent but very nervous about Broadridge/ADP as their monopoly, extortionist business practices and general failure to co-operate leads me to believe that they will thwart any efforts at simplification through restricting access to the beneficial data.

I think there should be a structured process for proxy voting otherwise it can get confusing and voting could be miscalculated.

Not sure, I have a solution but leaving it up to the investment dealers will not work because they do not care.

There should be a prescribed method whereby the intermediary is required to provide beneficial holders the option of receiving the proxy personally. Despite the issuer paying for OBO and NOBO mailings, many intermediaries still do not send the meeting package to the beneficial holder so I do not trust that they will independently offer beneficial holders with the opportunity to receive the proxy directly.

I would not rely on intermediaries like brokers and the like to do anything like this. They will see this as a burden, unless of course, they can charge a fee…

There should be a process in place to allow consistency in achieving beneficial owner proxy appointments. Otherwise, it would be difficult for the issuer to advise a beneficial owner the steps required to be appointed proxy holder and it would also be challenging for the issuer at the shareholder meeting to identify and confirm proxy holders.

I don't see any concerns with my organization being able to carry out the requirements - no specific process should be required.

No

To me, specific requirements provide a format for consistency and they establish guidelines. Without such, I would be concerned that more confusion would exist.

Compliance must be low cost in the aggregate. Enabling overall simplicity should be a key criterion for these requirements.

Venture issuers always have to have a special meeting due to the voting on the stock option plan. This does not help to reduce time and effort for the issuers who need it most.

I believe issuers will be able to ensure all requirements are met and don't require a specific process to be followed.

Shoot me, but my view is that in-person meetings should be treated as what they are: a relic of the past. No company should be required to hold an in-person meeting, and indeed, these ancient formats should be eliminated entirely. Virtual meetings are the only way to go. Then, from that starting point, ask the above questions. So Beneficial owners should be able to access, on line, their ability to vote...

Somewhat

It would be difficult maybe even impossible to verify whether the VIF is legitimate. What data will the scrutineer have access to in order to verify that the VIF is valid?

Beneficial shareholders should be able to appoint themselves as proxy holders by following an authentication process that permits the transfer agent to be able to confirm the identity of the beneficial holder and its ability to vote. As issuers are more and more moving towards

the process of holding a ballot on most matters voted for at a meeting, it is important to be able to confirm their eligibility to vote.

- Cost.
- Intermediaries have the processes in place to ensure validity of beneficial holders.
- We do not have any major concerns. ADP is already using an appointee system and we have not experienced any problems with it.

Selective Use and Disclosure

The current proposal allows issuers to use notice and access with any or all of its shareholders. Those shareholders can be segmented by the issuer in any way that it sees fit, so that select groups get notice and access and others get a full meeting package.

Almost all use of notice and access in the US is segmented. This is an important component of the success of the model and is especially important for companies who have a large retail base (as retail shareholders are much less likely to vote if they receive a notice and access package).

In Canada, this segmentation and the reasons for using notice and access with select shareholders only would need to be disclosed by the issuer.

Question 6

Does your company support the ability of issuers to pick and choose which of its shareholders will receive annual meeting information by notice and access?

Full Results

Yes (1)	32 (76%)
No (0)	11 (26%)
Total*	43

Issuer Results

Yes (1)	26 (74%)
No (0)	10 (28%)
Total*	36

Non-issuer Results

Yes (1)	6 (86%)
No (0)	1 (14%)
Total*	7

Question 7

What concerns, if any, would your company have with disclosing which shareholders are receiving notice and access and why those shareholders were chosen?

Issuer results are not highlighted; non-issuer results are highlighted

none

None. Issue is as above with Broadridge/ADP involvement.

We would move to notice and access for everyone unless they request the information. We strongly believe that few retail holders actually read the material, and institutional holders get it off the website/SEDAR. It is very costly to produce paper copies of documents that just end up in the waste bin.

This appears to be selective disclosure? Every shareholder should be treated equally.

Our sole shareholder is CDS. We do not have access to our retail investors. Consequently, even if we wanted to, we cannot pick and choose. The rules need to be changed re: NOBOS and OBOS.

I think this decision should be transparent and there would be no problem with disclosing these reasons in the Information Circular.

None

Issuers should be specifically protected against a claim of discrimination, otherwise selective use and disclosure may not be viable.

Potential complaints from shareholders that they are being treated differently.

No problem at all.

There should be no segmentation. The future has arrived, and people are much more willing to embrace it than regulators seem to think. All it takes is clear communication, on numerous levels, and we can make the "big shift" to the on-line world, which is quicker, more efficient, more reliable, and of course, "greener." Regulators and companies are more nervous than they need to be, and discount the intelligence and adaptability of the general retail shareholder population. This is a key area where our proxy advisory firms can step in to aid, assist, educate, and bring into the present all of our retail shareholders...why delay any further!!

Companies have to carefully consider the impact of the message when disclosing which shareholders they have mailed to and those which have been given notice and access. We believe in equitable treatment of all shareholders.

The issuer should explain its decision. If a beneficial shareholder wants a full package and only has notice and access, then they should be entitled to request a package at no cost and little inconvenience to them i.e., calling a toll free number.

None, if that option was chosen.

- Public relations concerns.
- We do not have concerns with disclosing this information.

Cost Savings and Proxy Voting System Efficiency

Through CSCS involvement on the 54-101 Advisory Committee and CSCS member consultations with the Securities Commissions, it was communicated that there are significant shortcomings with the current proxy voting system.

Cost and ease of navigation were both significant issues that are addressed (cost more than navigation) by the proposed notice and access rules.

Several additional concerns were identified that are not addressed by the current proposed rules:

- the overall complexity of the system;
- the inability to ensure that the votes that should count are the votes that do count;
- overvoting (more votes than are available are submitted and some have to be thrown out or prorated, without knowing which votes should count);
- empty voting (voting by a holder of the shares that has no economic investment in the company - for example, a borrower of shares); and
- difficulty communicating directly with shareholders.

The implementation of notice and access is a good first step in proxy voting reform and we want to send a clear message that more remains to be done.

The US is already ahead of Canada on this issue, with the Securities and Exchange

Commission releasing a concept paper this year to begin exploring solutions to these same issues in the US.

Question 8

Do you agree that significant shortcomings remain in the proxy voting system and further legislative initiatives by the regulators will be needed to solve those issues?

Full Results

Yes (1)	32 (86%)
No (0)	5 (14%)
Total*	37

Issuer Results

Yes (1)	29 (91%)
No (0)	3 (9%)
Total*	32

Non-issuer Results

Yes (1)	3 (60%)
No (0)	2 (40%)
Total*	5

Question 9

If you answered yes, what are your three biggest concerns with the current proxy voting system?

Full Results

Overall complexity of the system (1)	28 (76%)
Inability to ensure that the votes that should count are the votes that do count (2)	21 (57%)
Over voting (3)	9 (24%)
Empty voting (4)	4 (11%)
Difficulty communicating directly with shareholders (5)	25 (68%)
Other, please specify: (6)	8 (22%)
Total*	37

Issuer Results

Overall complexity of the system (1)	24 (75%)
Inability to ensure that the votes that should count are the votes that do count (2)	19 (59%)
Over voting (3)	7 (22%)

Empty voting (4)	4 (12%)
Difficulty communicating directly with shareholders (5)	23 (72%)
Other, please specify: (6)	8 (25%)
Total*	31

Issuer "Other" Descriptions

"I answered "No"" (two respondents)

"ADP role"

"Broadridge has a virtual monopoly over client lists. Lack of competition keeps costs high."

"I'm really not convinced that beneficial holders receive everything they should. There is a lot of confusion in the back offices of brokerages. For example, I have set myself up in our issuer under different types of holdings. For our last special meeting, I did not receive anything from a particular broker. When I contacted them, they said it's because I checked the box saying I don't want to receive circulars etc. I said that doesn't apply to special meetings. They had no idea what I was talking about, and then said the "back office" of the chartered bank that handles this for them is the group that deals with all this."

"Individual shareholders find the system complex and don't always receive proper support from the Intermediaries."

"Environmental and financial costs"

"Conflict of interest of proxy advisory firms"

Non-issuer Results

Overall complexity of the system (1)	4 (80%)
Inability to ensure that the votes that should count are the votes that do count (2)	2 (40%)
Overvoting (3)	2 (40%)
Empty voting (4)	0 (0%)

Difficulty communicating directly with shareholders (5)	2 (40%)
Other, please specify: (6)	0 (0%)
Total*	5

Information that may be Included

The CSA is asking whether there should be a prescribed form and content for the notice. The current proposal allows any amount of other material to be included with the notice and proxy or voting information form. This provides issuers with complete flexibility and an opportunity to reduce the requests for full hard copy information circulars by providing (if it chooses to do so) key information about the company and the items of business on the agenda. Similar to how some companies choose to send a highlight report to shareholders who opt out of receiving an annual report.

This was one of the biggest areas of confusion for US issuers and shareholders (until recent amendments), because the information and format of the notice were strictly prescribed, meaning issuers couldn't communicate with their shareholders in whatever way they felt would be best.

The concern noted by the CSA is that this may subvert the intent of current disclosure rules, as shareholders may decide to vote on the basis of the information provided rather than looking at the complete information available online. This seems to contradict the current view in securities law that it is appropriate for shareholders to make investing decisions without printed copies of annual and interim reports if they choose not to receive them in the mail.

Question 10

Do you agree that issuers should be able to decide on the form and content of the notice as long as it includes any required information?

Full Results

Yes (1)	32 (89%)
No (0)	4 (11%)
Total*	36

Issuer Results

Yes (1)	28 (90%)
No (0)	3 (10%)
Total*	31

Non-issuer Results

Yes (1)	4 (80%)
No (0)	1 (20%)
Total*	5

Question 11

If not, why not?

Issuer results are not highlighted; non-issuer results are highlighted

Difficult to determine what is "material" to go in notice. If there is an issue, lawyers will sue. Prescribe minimum content and put full disclosure online if they want to read it.

My concern, though, is that I wouldn't want to be spending a great deal of time on the notice in addition to the circular; i.e., I don't want to double our work for each meeting. I would have thought the notice is very short, and simply refers readers to a link for the full circular.

If the goal is to ensure that RETAIL investors are not confused (as opposed to sophisticated INSTITUTIONAL investors) - which indeed, I do believe is the actual goal -- then a certain prescribed level of uniform form and content disclosure is greatly desirable to reduce confusion. Let's remember that all these proposed rules are really designed to address the retail, beneficial holder - not the sophisticated institutional holder who has the resources to parse through different issuers/disclosure formats, etc. We can actually look to the past and see that when people become educated to the "new way of doing things," they get on board pretty quickly, especially if it is an "across the board" new way of doing things. If left to individual issuers to change/modify/alter the most basic of formatting/disclosure, then we go right back to where we were in the 1920 pre-first stock market crash in history !!!!!

Standardization of the format makes for easier comparison and familiarity for shareholders. Company logo should be mandatory on form without additional costs.

Beneficial and Registered Share Ownership

CSCS released a white paper that calls attention to the need for specific reform to Canada's corporate laws to address the most significant disparities that currently exist between beneficial and registered ownership to make it easier for issuers to treat all their holders equally and fairly. Please go to the CSCS website if you would like more information on the white paper.

Question 12

Should all shareholders, whether registered or beneficial, receive equal treatment as shareholders of Canadian companies?

Full Results	
Strongly agree (1)	16 (53%)
Agree (2)	13 (43%)
Neither agree nor disagree (3)	1 (3%)
Disagree (4)	0 (0%)
Strongly disagree (5)	0 (0%)
Total*	30
Mean	1.52

Issuer Results	
Strongly agree (1)	14 (54%)
Agree (2)	11 (42%)
Neither agree nor disagree (3)	1 (4%)
Disagree (4)	0 (0%)
Strongly disagree (5)	0 (0%)
Total*	26
Mean	1.50

Non-issuer Results	
Strongly agree (1)	2 (50%)
Agree (2)	2 (50%)
Neither agree nor disagree (3)	0 (0%)
Disagree (4)	0 (0%)
Strongly disagree (5)	0 (0%)
Total*	4
Mean	1.50

Question 13

Do you have any other concerns about the proposed rules?

Issuer results are not highlighted; non-issuer results are highlighted

Just get in place and do what is needed to break ADP monopoly and obstruction.

Important that time deadlines are not shortened -- it is hard enough to meet deadlines for printing and mailing annual reports.

My company's last mailing consumed over 90,000 kg of paper and still corresponded with minimal retail investor participation. The inference is that most of this paper was created, shipped, used, shipped, and discarded without any significant accomplishment other than compliance with pre-personal-computing-era rules. I applaud efforts to eliminate this waste of productivity and environmental and financial capital. Canada will be better for the implementation

of the proposed rules.

My comments may sound extreme to you, but having served as the Corporate Secretary of 1 of the largest (by market value) and most widely held (i.e., meaning 1 of the largest retail shareholder base) companies in Canada, I know first-hand that our system, and the U.S. system, needs a complete overhaul. This is an area that no longer needs "baby-steps" - the future is here, and we, in our "tall towers" really have lost touch with our retail shareholders. They are much more tech-savvy than we realize, and much more tech-savvy than our regulators/governments realize! Give the retail shareholders some credit -- they are smart, and can learn quickly to participate in a new, simpler system (at least simpler from their perspective). The REAL ISSUE is the BEHIND-THE-SCENES system of how votes are tracked and counted -- THAT IS THE AREA THAT BEGS - NO SCREAMS - FOR REFORM!! We are all focusing on the Wrong Issue Here. Retail shareholders are not the problem. The convoluted and out-dated and UNTRANSPARENT system of tracking, validating and logging the votes is the issue we need to focus on. If we can get the voting on-line as a first step, then perhaps the next part - tracking/validating/logging can finally receive the attention and reform it so deserves!

Timing of the implementation. 2011 Proxy Season too soon, should be 2012 or later.

Our company is submitting a comment letter with respect to expanding notice-and-access to special meetings as well as certain technical aspects of the proposed rules.