

NPS 41 (Draft Amended) Security Holder Communication

PART 1 PURPOSE

- 1.1 General - This policy statement is intended to ensure that non-registered holders of securities of reporting issuers are able to receive security holder materials and to exercise the voting rights attached to the securities.
- 1.2 History and background - National Policy Statement No. 41 was approved in 1987 by the CSA to address concerns that non-registered holders of securities of a reporting issuer, because they hold their securities through depositories or through dealers, banks, trust companies, other intermediaries, or their nominees, may not receive information and proxies that corporate law and securities legislation require issuers to send to their registered security holders.

This situation may occur because obligations under corporate law and securities legislation to send materials to security holders are typically cast as obligations in respect of registered holders, while market efficiency exerts strong pressure for the registration of securities in the names of depositories, intermediaries, or their nominees.

- 1.3 Fundamental Principles - The following fundamental principles have guided the revision of National Policy Statement No. 41:
- (a) all security holders, registered and non-registered, should have the opportunity to be treated alike as far as is practicable;
 - (b) a non-registered holder has the right to remain anonymous to reporting issuers; and
 - (c) efficiency should be encouraged.

In addition, the CSA have recognized that the obligations of each party in the security holder communication chain should be equitable and clearly defined.

PART 2 APPLICATION

- 2.1 General - This policy statement sets out the obligations of reporting issuers, depositories and intermediaries in respect of
- (a) sending of security holder materials to non-registered holders of securities of reporting issuers; and
 - (b) voting of the securities of reporting issuers by their non-registered holders.
- 2.2 Application - This policy statement applies to all reporting issuers, depositories and intermediaries that carry on business in Canada or that hold securities on behalf of another person or company whose address is in Canada.
- 2.3 Applicable where no non-registered holders or no unidentified non-registered holders - A reporting issuer that has no unidentified non-registered holders shall treat its non-registered holders and its registered holders in the same manner.

A reporting issuer having no non-registered holders or no unidentified non-registered holders shall fix record dates, and provide notices of record dates, meeting dates and meeting type, in accordance with section 5.2. In addition, it is strongly recommended that the issuer send

security holder materials to security holders no later than 25 days before the corresponding meeting of security holders.

- 2.4 Application where dissenting proxy (voting instruction) solicitation - Any person or company, other than the reporting issuer, that solicits proxies or requests voting instructions in respect of a meeting of security holders of a reporting issuer is entitled, but is not required, to use the procedures set forth in this policy statement for sending proxy-related materials to non-registered holders of securities of the issuer, provided that the person or company:
- (a) pays the fees and costs set out in Appendix D; and
 - (b) complies with Part 8.

However, only the reporting issuer may obtain from an intermediary a non-objecting holder list in accordance with this policy statement.

- 2.5 Use of agents - Unless the context otherwise requires, any references in this policy statement to an issuer or intermediary shall include any agent that the issuer or intermediary may appoint to act on its behalf. Issuers and intermediaries that employ agents shall remain fully responsible for their compliance with this policy statement.

PART 3 INTERPRETATION

- 3.1 Interpretation - In this policy statement, unless the context otherwise requires:

"affairs" means the relationship among a reporting issuer, its affiliates, and its security holders, partners, directors and officers, but does not include the business carried on by the issuer;

"annual report" means an annual report of a reporting issuer that includes the audited annual financial statements of the issuer and, where sent to security holders resident in Québec, is the annual report prepared and sent under the Securities Act (Québec);

"CDS" means the Canadian Depository for Securities Limited;

"corporate law" means any legislation, constating instrument or agreement that governs the affairs of the issuer, including:

- (i) in the case of a corporation, the articles, memorandum of incorporation or by-laws of the corporation;
- (ii) in the case of a trust, the declaration of trust, deed of trust or other instrument under which the trust is created; and
- (iii) in the case of a partnership, the partnership agreement;

"CSA" means the Canadian Securities Administrators;

"CUSIP" means Committee on Uniform Security Identification Procedures;

"day" means a calendar day unless express reference is made to a business day;

"depository" means CDS and WCDTC;

"early search" means the search referred to in section 5.4;

"Explanatory Statement" means the explanatory statement set out in Appendix A;

"financial institution" means a bank, trust company, credit union, caisse populaire, treasury branch or loan corporation;

"intermediary" means:

- (i) a person or company registered or required to be registered as a dealer under securities legislation,
- (ii) a financial institution,
- (iii) a participant,
- (iv) a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan, or other similar self-administered savings or investment plan registered under the Income Tax Act (Canada), or
- (v) as the context may require, a nominee of any of the foregoing

that holds a security registered in its name, or in the name of its nominee, on behalf of another person or company that is not the registered holder of the security, but does not include:

- (vi) a trustee under a will, court order or inter vivos trust, or
- (vii) a trustee (other than as described in subparagraph (iv) of this definition) for a pension plan, deferred profit sharing plan, retirement savings plan or other similar capital accumulation plan in respect of which the trustee has discretionary voting powers;

"jurisdiction" means a province or territory of Canada;

"mail" means mailing by prepaid first class mail;

"non-objecting holder" means:

- (i) a non-registered holder of securities of a reporting issuer that provides instructions that the holder consents to disclosure of the holder's name, address, holdings and preferred language of communication to the issuer, or
- (ii) unless the address of the holder is in the Province of Québec, a non-responsive holder;

"non-objecting holder list" means a list of the names, addresses, holdings and preferred language of communication of non-objecting holders of the securities of a reporting issuer;

"non-registered holder" means a person or company, other than another intermediary, on whose behalf an intermediary holds a security of a reporting issuer, where the security is registered in the name of the intermediary or its nominee on the books or records of the issuer;

"non-responsive holder" means a non-registered holder of securities of a reporting issuer that does not provide instructions as to whether the holder wishes to receive materials from, and to remain anonymous to, the issuer;

"objecting holder" means:

- (i) a non-registered holder of securities of a reporting issuer that provides instructions that the holder wishes to remain anonymous to the issuer, or
- (ii) if the address of the holder is in the Province of Québec, a non-responsive holder;

"omnibus proxy" means the form of proxy set out in Appendix C;

"participant" means:

- (i) a dealer that is registered under the securities legislation of any jurisdiction,
- (ii) a financial institution, or
- (iii) another person or company, including another depository,

on whose behalf a depository or its nominee holds securities of a reporting issuer;

"proxy-related materials" means the notice of meeting, information circular, and all other material relating to the meeting that the issuer is required under corporate law or securities legislation to send to the registered holders of securities of the issuer, including a form of proxy or a request for voting instructions where the holders of the class of securities are entitled to vote;

"record date" means the date fixed by a reporting issuer for the determination of the registered holders of securities of the issuer that are entitled to receive notice of a meeting of security holders;

"registered holder" means a holder of a security of a reporting issuer that is registered on the books or records of the issuer;

"reporting issuer" means an issuer of securities that is defined as a reporting issuer, or an issuer having comparable status under securities legislation in a jurisdiction;

"Response Card" means the response card set out in Appendix A;

"Search Card" means the search card set out in Appendix B;

"securities legislation" means the statutes concerning the regulation of securities markets and trading in securities and includes regulations made under those statutes;

"securities regulatory authority" means the securities commission or similar regulatory authority in existence from time to time in a jurisdiction;

"security holder" means a registered holder of a security, a non-registered holder of a security or both, depending upon the context;

"security holder materials" means either or both:

- (i) proxy-related materials, or
- (ii) audited annual financial statements or annual report,

sent by or on behalf of management of the reporting issuer to which the materials, statements or report relate;

"send" means personal delivery, mail or transmittal by electronic means;

"special business" means any business transacted at a meeting of security holders of a reporting issuer other than:

- (i) consideration of the minutes of an earlier meeting of the issuer,
- (ii) consideration of the financial statements of the issuer or any auditor's report thereon,
- (iii) election of directors of the issuer, and
- (iv) reappointment of the auditor of the issuer;

"supplemental mailing list" means a list of the registered and non-registered holders of the securities of a reporting issuer that have made written request to receive interim financial statements of the issuer; and

"WCDTC" means the West Canada Depository Trust Company.

PART 4 EFFECTIVE DATE

- 4.1 Effective date - This policy statement applies in respect of a meeting of holders of securities of a reporting issuer where the latest date that the issuer is permitted to deliver a notice of the meeting and record dates to securities regulatory authorities is April 1, 1995, pursuant to section 5.2 of this policy statement (or section 1 of Part IV of National Policy Statement No. 41 referred to in section 4.2).
- 4.2 Application - Subject to section 4.3, National Policy Statement No. 41, approved by the CSA on October 28, 1987 and amended the following year by the addition of Addendum "A" (Part XII), is rescinded and this policy statement is substituted therefor, effective April 1, 1995.
- 4.3 Transition - The provisions of National Policy Statement No. 41 referred to in section 4.2 shall continue to apply to meetings of holders of securities of a reporting issuer where the issuer is required to file a notice of the meeting and record dates with securities administrators (securities regulatory authorities) on or before March 31, 1994, pursuant to section 1 of Part IV of that policy statement (or section 5.2 of this policy statement). This transitional arrangement does not apply where the issuer, depositories and intermediaries agree to comply with the provisions set out in this policy statement.

PART 5 ISSUER'S OBLIGATIONS

- 5.1 Establishment of meeting and record date - A reporting issuer shall fix a record date for a meeting of the holders of its securities no fewer than 35 or more than 60 days before the date fixed for the meeting.
- 5.2 Notice of meeting and record dates - At least 25 days before the record date fixed for a meeting of its security holders, a reporting issuer shall deliver notice to each depository that holds the securities, to the securities regulatory authority of each jurisdiction where the issuer is a reporting issuer and to each stock exchange in Canada upon which the securities are listed. The notice shall state, at a minimum: the name of the issuer, the record date fixed for the meeting, the meeting date and the type of meeting (e.g., whether the meeting is or is not one at

which special business is to be transacted). The notice given by the issuer to a depository shall also request that the depository furnish the issuer with the information referred to in section 5.4 and an omnibus proxy. Where the depository is CDS, the notice shall also include the request for publication referred to in section 5.3.

- 5.3 Publication of meeting and record dates - As part of the notice described in section 5.2 or separately, a reporting issuer shall request that CDS publish information about every meeting of the issuer's security holders. Where the request is made separately, it shall include, at a minimum, the information required to be set out in the notice described in section 5.2. CDS will arrange for the weekly publication of this information.

The publication of the index may satisfy corporate law requirements. Each issuer is, however, responsible for ensuring its compliance with applicable corporate law.

- 5.4 Early search - Determination of who is to receive Search Cards - As part of the notice described in section 5.2, at least 25 days before the record date fixed for a meeting of its security holders, a reporting issuer shall request from each depository that holds its securities, the following:

- (a) the names, addresses and respective holdings of participants of the depository of each class of securities that entitle the holder to receive notice of the meeting; and
- (b) the names of intermediaries and their nominees from a current register maintained by the depository.

- 5.5 No early search where transfer agent has information - A reporting issuer is not required to comply with paragraph 5.4(a) if the securities are included on an electronic depository participant file maintained by the depository and the issuer's transfer agent has access, using the file, to the information referred to in paragraph 5.4(a). A reporting issuer shall not be required to comply with paragraph 5.4(b) if the issuer's transfer agent obtains a list of intermediaries and their registered nominees that is updated at least monthly.

- 5.6 Search Card - At least 20 days before the record date fixed for a meeting of security holders of a reporting issuer, the issuer shall deliver a Search Card containing the information required in Part I of the Search Card:

- (a) to each participant holding a class of securities that entitle the holder to receive notice of the meeting; and
- (b) to each intermediary and nominee of an intermediary whose name appears on the books and records of the issuer as a registered holder of a class of securities that entitle the holder to receive notice of the meeting;

using the information provided by the depositories in response to an early search or, where the transfer agent has the necessary information, using information provided by the issuer's transfer agent.

Where the Search Card includes a request for a non-objecting holder list, the issuer shall include with the Search Card an undertaking prepared in accordance with Item 7 of Part I of Appendix B.

- 5.7 Delivery of security holder materials where issuer sends materials - Where a reporting issuer elects to send security holder materials to non-objecting holders of its securities and obtains a non-objecting holder list, the issuer shall:

- (a) send the materials to the non-objecting holders named on the list, at least 25 days before the date fixed for the meeting of security holders to which the materials relate, and
- (b) disclose in its materials that the issuer obtained the information from the intermediary pursuant to this policy statement.

5.8 Bulk delivery of security holder materials where intermediary sends materials - At least three business days before the 25th day preceding the date fixed for a meeting of security holders of a reporting issuer, the issuer shall deliver to each intermediary the number of sets of security holder materials specified by the intermediary in the intermediary's response to the Search Card. For greater certainty, the number of sets of materials specified by an intermediary shall not include sets of materials for non-registered holders appearing in a non-objecting holder list provided to the issuer by the intermediary.

5.9 Payment to intermediaries - Where an intermediary holds securities of a reporting issuer on behalf of a non-registered holder and, at the issuer's request, the intermediary:

- (a) transmits to the issuer
 - (i) a non-objecting holder list; and
 - (ii) an omnibus proxy completed by the intermediary that appoints the non-objecting holder as the intermediary's proxy in respect of the securities held by the intermediary on behalf of the non-objecting holder;

and

- (b) sends the issuer's security holder materials to non-registered holders of the issuer's securities, other than non-objecting holders already included in the non-objecting holder list referred to in subparagraph (a)(i);

the issuer shall pay to the intermediary the applicable fees and costs set out in Appendix D.

5.10 Cost where issuer fails to deliver materials - Where an intermediary responds to a Search Card from a reporting issuer but the issuer does not deliver the corresponding security holder materials to the intermediary for sending to non-registered holders in accordance with this policy statement, the issuer shall pay to the intermediary any reasonable costs incurred by the intermediary in searching its records or preparing to send the materials on behalf of the issuer.

5.11 Sending to all non-registered holders notwithstanding instructions

- (a) Non-optional - special business - A reporting issuer shall send security holder materials to each non-registered holder of its securities in connection with any meeting of its security holders at which special business will be transacted, whether or not the holder has given contrary instructions.

Where special business is of a "housekeeping" nature (e.g., an uncontroversial name change), the issuer may apply for an exemption from this requirement.

- (b) Optional - election by issuer - A reporting issuer may elect to send security holder materials to all non-registered holders of a class of its securities whose registered holders are entitled to receive the materials, whether or not the holder has given contrary instructions.

5.12 Adjournment or change in meeting - Where, with respect to a meeting of holders of its securities, a reporting issuer:

- (a) adjourns the meeting;
- (b) changes the meeting type; or
- (c) changes the record date or meeting date;

and a notice of the adjournment or change is required to be given to its registered holders, the issuer shall deliver notice of the adjournment or change to:

- (d) each of the persons or companies referred to in section 5.2; and
- (e) the non-registered holders that were given the original notice of the meeting.

Where an intermediary sends the notice of adjournment or change to non-registered holders, the issuer shall compensate the intermediary for sending the notice.

New searches may have to be conducted if the nature of the business to be transacted at the meeting is changed (e.g., where the nature of the business is changed to "special business", requiring security holder materials to be sent to all non-registered holders). Where a meeting is adjourned, applicable corporate law may require that notice be given.

An adjournment or change in the nature of the business to be transacted at the meeting of security holders may result in reasonable costs being charged to the issuer by an intermediary if additional searches need to be conducted by the intermediary.

5.13 Voting

(a) Clear voting instructions - Proxy-related materials given to non-registered holders of securities of a reporting issuer shall explain, in plain language, how non-registered holders may exercise voting rights attached to the securities, including:

- (i) any special voting procedures (e.g., cumulative voting),
- (ii) when and where non-registered holders are to return proxies or voting instructions, that is,
 - (A) proxies are to be returned to the issuer or its designated agent in the case where the issuer has sent the materials directly to the non-registered holders, and
 - (B) voting instructions are to be returned to the intermediary or its designated agent in all other cases,

and

- (iii) what steps, if any, non-registered holders may take to vote (e.g. attendance and voting at meetings may be limited to non-objecting holders appearing in the non-objecting holder list or that can otherwise show an entitlement to attend and vote).

- (b) Responsibility for tabulating voting results - A reporting issuer shall be responsible for tabulating the results of votes exercised by non-objecting holders to whom the issuer has directly sent proxy-related materials.

- 5.14 Audited annual financial statements or annual report - A reporting issuer shall send either its audited annual financial statements or annual report to each non-registered holder of its securities that has elected to receive the statements or report under this policy statement, at substantially the same time as the statements or report is required to be sent to registered holders of the securities, whether or not the issuer holds a meeting for the holders of the securities.

This policy statement contemplates that audited annual financial statements or an annual report will normally be included with the proxy-related materials sent to security holders in respect of the reporting issuer's annual meeting of security holders. The fee for sending audited financial statements or an annual report to non-registered holders is included in the fee that may be charged by intermediaries in respect of proxy-related materials as set out in Appendix D.

If a reporting issuer relies on an intermediary to send the issuer's audited annual financial statements or annual report to non-registered holders of its securities at a different time from when proxy-related materials are sent, or where no meeting of the holders of the issuer's securities is being held, the intermediary may charge a separate fee for sending the audited annual statements or an annual report as set out in Appendix D.

- 5.15 Supplemental mailing list - Any person or company that is the owner of securities of a reporting issuer may request the issuer's interim financial statements by delivering to the issuer a return card or any other written request, that includes a statement signed by the person or company making the request that the person or company is the owner of securities of the issuer. The issuer shall send to registered and non-registered holders of its securities, with proxy-related materials for each annual meeting of its security holders, a return card on which the security holder may make a request to receive the issuer's interim financial statements.

A reporting issuer shall maintain a supplemental mailing list of the registered and non-registered holders of its securities that have requested its interim financial statements and send its interim financial statements to these holders at the same time that the issuer is required by applicable corporate law or securities legislation to send its interim financial statements to the registered holders of its securities.

The requirement for the issuer to send interim financial statements to security holders on the supplemental mailing list shall continue until the date of the next annual meeting of its security holders.

A reporting issuer that does not avail itself of the exemption from sending interim financial statements to its registered holders, referred to in section 5.16, may send the return card to non-registered holders of its securities only.

Reporting issuers are advised that if the effect of a waiver or exemption from the requirements of this policy statement is that the issuer does not send security holder materials to non-registered holders of its securities, or does not establish and maintain a supplemental mailing list under this policy statement, the issuer may not have the benefit of the exemption referred to in section 5.16 related to the sending of interim financial statements to registered security holders.

- 5.16 Exemption from sending interim financial statements to registered holders - A reporting issuer that sends interim financial statements to the persons or companies on the supplemental

mailing list may be exempted from the requirement under applicable securities legislation to send interim financial statements to its registered holders, under exemptions that have been granted in the following jurisdictions:

British Columbia,
Alberta,
Saskatchewan,
Manitoba,
Ontario,
Québec,
Nova Scotia, and
Newfoundland.

The exemptions are available in respect of the interim financial statements of a reporting issuer beginning with the first financial quarter ending after the first annual meeting of the issuer for which a return card was included with proxy-related materials sent to each registered holder of the issuer's securities and, in accordance with this policy statement, to non-registered holders of the issuer's securities that requested that security holder material be sent to them.

A reporting issuer may not be required under corporate law or securities legislation to hold meetings of its security holders. Where that is the case, the issuer may have the benefit of the exemption from the requirement to send its interim financial statements to its registered holders, provided that a return card is included with the audited annual financial statements or annual report sent annually to each registered holder of the issuer's securities.

A reporting issuer with no non-registered holders or no unidentified non-registered holders of its securities that holds meetings of its security holders may not be required to apply in order to have the benefit of the exemption from the requirement to send interim financial statements to registered holders of its securities.

A reporting issuer should review the terms of the specific exemptions, which may include additional requirements not referred to above, to satisfy itself that the exemptions are applicable to it.

The following jurisdictions do not have a legislative requirement for a reporting issuer to send its interim financial statements to registered holders of its securities:

Yukon Territory,
Northwest Territories,
New Brunswick, and
Prince Edward Island.

PART 6 INTERMEDIARY'S OBLIGATIONS

- 6.1 Register of intermediaries and their registered nominees - At the request of a depository, an intermediary shall furnish to the depository its name and address and the name and address of each of its nominees in whose name securities are registered and held on behalf of non-registered holders. Intermediaries shall promptly give notice to the depository of any changes to this information.

Intermediaries are encouraged to restrict the number of nominees in whose names securities are registered.

6.2 Client instructions as to receipt of materials, preferred language of communication and anonymity

- (a) Appendix A - Where an intermediary holds securities of a reporting issuer on behalf of a client that are registered in the name of the intermediary, or the name of the intermediary's nominee, the intermediary shall advise the client of the rights of a non-registered holder under this policy statement to elect to:
- (i) receive security holder materials from the issuer,
 - (ii) receive security holder materials in the client's preferred language of communication, English or French, if materials are available in both languages, and
 - (iii) remain anonymous to the issuer or have the client's name, address and holdings disclosed to the issuer.

The intermediary shall satisfy this requirement by delivering to the client an Explanatory Statement and a Response Card, preferably upon the opening of any account by the intermediary for the client but no later than upon first receiving instructions or authority to hold securities in its name, or in the name of its nominee, on behalf of the client.

By completing a Response Card, the client gives notice of the client's election, as a non-registered holder of securities of reporting issuers, to receive or not to receive security holder materials from, and to remain or not to remain anonymous to, the issuers.

A client may change the instructions at any time by written notice to the intermediary.

- (b) Return postage paid for return of Response Card - Where a Response Card is not completed at the time the account is opened, the intermediary shall ensure that a Response Card, with postage prepaid by the intermediary, is delivered to the client at the time the client instructs or authorizes the intermediary to hold the client's securities in the name of the intermediary or its nominee.
- (c) Account opening form may substitute for Explanatory Statement and Response Card - An intermediary may use an account opening form or other document to provide information on security holder communication and to obtain instructions from its clients, in place of the Explanatory Statement and Response Card. The form or document shall include, at a minimum, the same information set out in the Explanatory Statement, request the same client instructions set out in the Response Card and be signed and dated by the client. References to the Explanatory Statement and Response Card in this policy statement should be read as references to any form or document used in their place.
- (d) Failure to return instructions - It is the responsibility of each intermediary to ensure that it receives a completed Response Card or other written instructions from each of its clients. Except as herein otherwise provided, where an intermediary holds securities on behalf of a non-responsive holder of securities of a reporting issuer, the holder shall, for the purposes of this policy statement, be deemed to have given instructions that the holder:
- (i) does not wish to receive security holder materials of the issuer, and

- (ii) provided that the holder is not a resident of the Province of Québec, consents to the disclosure to the issuer of the client's name, address and holdings of securities of the issuer.
- (e) Exception - confidentiality required by law - An intermediary may be prohibited by law (e.g., the Québec Civil Code) from releasing to a reporting issuer the name, address and holdings of a non-registered holder of securities of the issuer unless the holder has expressly consented to the release. Where that is the case, release of this information by an intermediary to the reporting issuer will be required under this policy statement only as permitted in accordance with applicable law.

However, where an intermediary has been requested by a reporting issuer to provide the issuer with the name, address and holdings, as well as the preferred language of communication, of non-registered holders and the intermediary is prohibited from providing this information, the intermediary shall bear the costs and expenses related to its non-provision of client information in accordance with Appendix D.

Where client confidentiality is required by applicable law, it is anticipated that the intermediary will obtain reimbursement from its clients for any reasonable costs or expenses incurred by it to maintain client confidentiality.

- (f) Separate accounts - The written instructions given by a client on a Response Card apply to all securities held by the client in the account to which the Response Card relates. A client that wishes to receive security holder materials and to vote in respect of some securities but not the others should be encouraged to hold securities in separate accounts.

6.3 Voting

- (a) Responsibility to tabulate voting results - Where an intermediary sends proxy-related materials of a reporting issuer to a client that is a non-registered holder of the issuer's securities, the intermediary shall include a request for voting instructions from the client if the client is entitled to vote. Where the intermediary receives voting instructions from the client, the intermediary shall deliver to the issuer a proxy, completed in accordance with the voting instructions received by the intermediary, not later than the latest date specified by the issuer for the receipt of proxies, if applicable, or the day before the meeting, if the issuer does not specify a date.
- (b) Revocation of instructions - A non-registered holder may, by written notice to the intermediary, revoke any instructions given by the holder to the intermediary in a Response Card, in which case the intermediary shall use its best efforts to carry out the instructions.
- (c) Prohibition to the exercise of voting rights - A depository or an intermediary shall not exercise any voting rights in respect of a security that it does not own, except as provided in this policy statement or, in the case of an intermediary, as provided in a legally valid written agreement.

6.4 Events in respect of a specific meeting

- (a) Response to Search Card where intermediary is to distribute - Within three business days of receipt of a Search Card from a reporting issuer, an intermediary shall deliver to the issuer a response to the Search Card containing the information set out in Part II of the Search Card.

Many intermediaries will receive more than one Search Card from an issuer because the intermediary holds securities on behalf of clients in more than one name, including the names of depositories. Intermediaries should co-ordinate their responses to the Search Cards so as to avoid ordering more security holder materials than are required.

- (b) Omnibus proxy to accompany non-objecting holder list - Where, in a Search Card delivered to an intermediary, a reporting issuer has requested from an intermediary a non-objecting holder list, the intermediary shall include in its response to the Search Card the requested list and an omnibus proxy completed by the intermediary appointing each of the non-objecting holders named on the list as the intermediary's proxy in respect of the securities held by the intermediary on behalf of the non-objecting holder.
- (c) Format of non-objecting holder list - The CSA does not currently mandate a format, electronic or otherwise, for the non-objecting holder list that intermediaries are required to provide, on request, to issuers under this policy statement. However, the CSA encourages depositories, issuers and intermediaries to develop and use a standard industry electronic format.
- (d) Failure to receive Search Card - An intermediary that holds securities of a reporting issuer, on behalf of a client, that learns of a meeting of holders of such securities and has not received a Search Card from the issuer within the prescribed time, shall immediately advise the issuer and use reasonable efforts to obtain and send the related security holder materials to its clients in accordance with this policy statement.
- (e) Sending of security holder materials by intermediary - Within three business days of its receipt of security holder materials from a reporting issuer, an intermediary shall send the materials to each of its clients that is entitled to receive the materials under this policy statement.

Where a reporting issuer requests an intermediary to provide a service for which the payment of a fee or reimbursement of costs is permitted under Appendix D, the intermediary will not be required by this policy statement to perform the service unless satisfactory arrangements are made for payment.

An intermediary shall only be required to send complete sets of security holder materials in accordance with this policy statement. Where sets of materials are incomplete or received after the time limits set out in this policy statement, the intermediary shall advise the reporting issuer and request instructions.

- (f) Certification - Immediately following its sending of security holder materials on behalf of a reporting issuer, an intermediary shall deliver to the issuer a written statement certifying as to:
 - (i) the number of sets of security holder materials received from the issuer,
 - (ii) the date of receipt,
 - (iii) the number of sets of security holder materials sent by the intermediary,
 - (iv) the date the security holder materials were sent,
 - (v) the manner by which the security holder materials were sent, and

- (vi) the costs incurred by the intermediary in sending the security holder materials.

The intermediary shall also certify that the security holder materials were sent only to non-registered holders entitled to receive them under this policy statement.

PART 7 DEPOSITORY'S OBLIGATIONS

- 7.1 Index of meeting and record dates - CDS shall maintain an index of meetings of security holders of reporting issuers and arrange to have the index published in the national financial press. The index shall include, at a minimum: the name of the issuer, the record date fixed for the meeting, the meeting date and the type of meeting (e.g., whether the meeting is or is not one at which special business is to be transacted.)

The index is currently published in the Monday edition of the Globe and Mail "Report on Business", and in the Tuesday edition of La Presse. Notices of meetings received by CDS by noon on Wednesday will normally be published in the Globe and Mail on the following Monday and in La Presse on the following Tuesday.

Where a reporting issuer delivers notice of an adjournment or change in meeting, pursuant to section 5.12, CDS shall publish the particulars of the notice in the index.

CDS shall make the index available to the press at no charge. A description of the record and meeting date services provided by CDS, including a form of notice of record and meeting dates and fees charged by CDS to issuers for certain services, is set out in the March 18, 1988 edition of the Ontario Securities Commission "Bulletin", beginning at page 1242.

WCDTC gathers information about record dates and meeting dates including, but not limited to, information related to meetings of security holders of issuers listed solely on the Vancouver Stock Exchange, Alberta Stock Exchange or both. WCDTC distributes the information weekly, through the Canada Newswire network each Wednesday and through the Vancouver Stock Exchange "Daily Bulletin" each Thursday.

- 7.2 Register of intermediaries and their registered nominees - Each depository shall maintain a current register of intermediaries and their registered nominees. The depository shall not charge a fee to provide information in the register to a reporting issuer, or its transfer agent, as part of the early search process. In all other cases, the depository may charge a reasonable fee to provide information in the register to a person or company. The nominee registration form used by CDS is included in the Ontario Securities Commission "Bulletin" referred to in section 7.1.
- 7.3 Response to early search - Request by the reporting issuer - Within two business days of its receipt of an early search from a reporting issuer, a depository that holds securities of the issuer shall deliver to the issuer:
- (a) the names, addresses and respective holdings of participants of the depository of each class of securities set out in the early search; and
 - (b) the names of intermediaries and their registered nominees from the register that the depository is required to maintain in accordance with section 7.2.
- 7.4 Response to early search - Request by person or company other than the reporting issuer - Any person or company may, by written request, obtain from a depository the same information in respect of a reporting issuer that the issuer is entitled to request and receive under sections

5.4 and 7.3. To obtain a list of participants of the depository holding securities of the issuer, the person or company shall deliver to the depository a written request for the names of the participants, together with a statutory declaration that sets out, at a minimum:

- (a) the name and municipal address of the applicant;
- (b) the name and address for service of the applicant, if the applicant is not an individual; and
- (c) a representation that the information will not be used except in connection with,
 - (i) an effort to influence the voting of holders of securities of the issuer,
 - (ii) an offer to acquire securities of the issuer, or
 - (iii) any other matter relating to the affairs of the issuer.

To also obtain a list of the names of intermediaries and their registered nominees shown on the register of intermediaries and their nominees maintained by the depository, the person or company shall include, as part of the written request and together with the statutory declaration referred to in the previous paragraph, a request for a list of intermediaries and their registered nominees.

Immediately upon receipt of a written request from a person or company for a list of participants of a depository holding securities of a reporting issuer, the depository shall deliver to the issuer the statutory declaration and a copy of the request. Within two business days of the receipt of the request, the depository shall deliver to the person or company making the request the information that would be required to be provided in response to a request for an early search from a reporting issuer. The intermediary shall also deliver a list of intermediaries and their nominees, where requested.

- 7.5 Participants as of record date - Information to issuer - Whether or not a depository receives a request from a reporting issuer for an early search, within two business days after the record date specified in the notice of meeting and record date delivered by a reporting issuer to the depository, the depository shall deliver to the issuer an omnibus proxy, in the form set out in Appendix C, appointing each participant of the depository that, as of the record date, holds securities that entitle the holder to receive proxy-related materials, as the depository's proxy holder in respect of the securities held by the depository on behalf of the participant. The depository shall provide to each of the participants named in the omnibus proxy, at the same time as it provides the omnibus proxy to an issuer, written confirmation of the information concerning the participant set out in the proxy.

PART 8 GENERAL

- 8.1 Authorized use of non-registered holder information - Where an intermediary provides a reporting issuer with a non-objecting holder list, the issuer shall use the list solely for the purpose of sending security holder materials to the holders named on the list in accordance with this policy statement. A reporting issuer that wishes to communicate with non-registered holders of its securities in respect of any other matter relating to its affairs shall use the bulk delivery procedures described in section 5.8 of this policy statement.
- 8.2 Authorized use of other information - This policy statement does not prohibit any person or company from using the name of any intermediary, or nominee of an intermediary, that is furnished in compliance with this policy statement, in connection with:

- (a) an effort to influence the voting of security holders of a reporting issuer;
- (b) an offer to acquire securities of a reporting issuer; or
- (c) any other matter relating to the affairs of a reporting issuer.

8.3 Trafficking in names prohibited - No person or company shall offer for sale or purchase or otherwise traffic in a non-objecting holder list, or list of intermediaries or nominees of intermediaries, furnished in compliance with this policy statement.

8.4 Default of party in communication chain - Where any party in the communication chain fails to send information or materials in accordance with the requirements of this policy statement, the parties whose response or action is dependent on receiving information or material shall use reasonable efforts to obtain the required information or materials from the party in default, and to comply with the spirit and intent of the policy statement.

8.5 Other law - Although this policy statement is intended to be compatible with applicable federal, provincial and territorial corporate legislation, issuers and others that follow this policy statement should satisfy themselves with respect to their compliance with applicable legislative or other legal requirements.

PART 9 MEANS OF DELIVERY

9.1 General - The CSA are of the view that depositories, reporting issuers and intermediaries should use the most efficient means of sending or delivering information and documents that are required to be sent or delivered under this policy statement including, where practicable, materials in bulk.

9.2 Electronic communication - Generally, communication under this policy statement between or among depositories, reporting issuers and intermediaries should be given by electronic means, with original hard copies retained by the sender. Where proxies are transmitted by electronic means, original hard copies should be delivered to the recipient of the electronic transmission within a reasonable time after the transmission.

Voice telephone communications are not encouraged, because of the possibility of errors, but may be used where timing is very critical, provided that hard copies of the information are promptly transmitted thereafter.

9.3 Provision of postage - Reporting issuers shall provide postage-paid return envelopes to non-registered holders for return of proxies where the issuer elects to send proxy-related materials pursuant to section 5.7. Intermediaries shall provide postage-paid return envelopes to non-registered holders for return of voting instructions where the intermediary sends proxy-related materials pursuant to section 5.8.

In addition, reporting issuers are encouraged to provide postage-paid return envelopes or cards to security holders to facilitate requests by the holders to be placed, or remain on, the issuer's supplemental mailing list.

9.4 Materials in bulk - Reporting issuers should ensure that security holder materials, supplemental mailing list return cards and interim financial statements are delivered in bulk to intermediaries. If the materials come from different printers, at least all the required quantities of a particular item should arrive at one time.

- 9.5 Use of mails - Proxy-related materials of a reporting issuer may be delayed in the mail when, for example, non-registered holders of securities of the issuer are resident outside of Canada or there is an interruption in regular postal service. When this occurs, the issuer, intermediary or other person or company doing the mailing should make appropriate arrangements to ensure that non-registered holders receive the materials in sufficient time to exercise their right to vote.

PART 10 WAIVERS AND EXEMPTIONS

- 10.1 Waiver or exemption not required - proxy-related materials sent at least 21 days before meeting - Where a reporting issuer makes arrangements so that the requirements of this policy statement can be carried out within shorter time frames than those established by this policy statement, no application for an exemption from, or a waiver of, the policy statement related to the shorter time frames will be required provided that, in the case of any requirement related to the delivery of proxy-related materials for a meeting of security holders, the proxy-related materials are sent at least 21 days before the meeting.

The 21-day requirement derives primarily from the time period normally required under applicable corporate law for the sending of proxy-related materials to registered holders of securities of an issuer. In addition, section 158 of the Regulation Respecting Securities (Québec) states that the documents for a meeting of security holders are required to be sent to security holders at least 21 days before the meeting.

- 10.2 Exemption required - proxy-related materials sent less than 21 days before meeting - Securities regulatory authorities will not consider shortening the 21-day period referred to in section 10.1 to a shorter period unless the shorter period is permitted under the applicable corporate law for the sending of the proxy-related materials to registered holders of the securities and the proxy-related materials can be sent to non-registered holders no later than they are required to be sent to registered holders.

- 10.3 Waivers not required - audited annual financial statements or annual report - Applicable corporate law or securities legislation may permit a reporting issuer to send its audited annual financial statements or annual report to registered holders of its securities later than proxy-related materials. Reporting issuers are encouraged to send their audited annual financial statements or annual report at the same time as proxy-related materials. Where this is not possible, provided that the audited annual financial statements or annual report are sent to non-registered holders within the same time limitations imposed under applicable corporate law and securities legislation for their sending to registered holders, a waiver from this policy statement is not required.

- 10.4 Additional costs where time limitations shortened - This policy statement contemplates that an intermediary is entitled to three business days to prepare the security holder materials for sending after its receipt of the materials in bulk.

Where issuers make arrangements with intermediaries to comply with this policy statement within shorter time limits, the arrangements may provide for recovery by the intermediary of additional costs or expenses attributable to the shorter time limits that it would not otherwise have incurred (e.g., courier, long distance telephone calls, overtime). Moreover, intermediaries may not be in a position to respond to searches more quickly than this policy statement requires, particularly during the spring proxy season.

- 10.5 Waivers - national clearance - An issuer may make application to obtain a waiver from the requirements of this policy statement in circumstances where there is substantial compliance with the requirements of this policy statement and the objectives of this policy statement are satisfied.

The issuer should set out its proposal for substantial compliance with this policy statement in reasonable detail in its letter of application and deliver the application to the securities regulatory authority in the jurisdiction of its choice among the following jurisdictions that are prepared to act as principal jurisdictions in respect of this policy statement: British Columbia, Alberta, Ontario and Québec.

The securities regulatory authority in the principal jurisdiction will advise the applicant in writing whether the authority will waive compliance with the strict terms of this policy statement in accordance with the application. If the authority has advised the applicant that it will waive compliance, the issuer may then deliver copies of its application and the authority's advice to the securities regulatory authority in all jurisdictions in which it is a reporting issuer. If the securities regulatory authority in a jurisdiction does not advise the issuer to the contrary within three business days after receipt of the application and advice, it will be deemed to have agreed with the advice, except in the case of the Alberta Securities Commission that will, in all cases, give its waiver in writing.

Issuers are encouraged to settle satisfactory arrangements with the staff of the securities regulatory authority of the principal jurisdiction before making an application.

- 10.6 Exemptions - national clearance - If a reporting issuer requires a substantial exemption from this policy statement, it shall make a formal application to the securities regulatory authority in each jurisdiction in which it is a reporting issuer. The application should specify all jurisdictions in which the application is made and should designate either British Columbia, Alberta, Ontario or Québec as principal jurisdiction. (Examples of a substantial exemption would include an exemption from the basic requirement to send security holder materials to non-registered holders, or from the requirement to send proxy-related materials at least 21 days before the meeting to which they relate.)

Every application shall be transmitted by facsimile copy (originals to follow) or original applications delivered to the securities regulatory authority in each applicable jurisdiction so that the applications will be received as nearly as may be practicable on the same date by each securities regulatory authority.

The securities regulatory authority of the principal jurisdiction will make its determination having regard to comments received from, and will communicate their order, ruling or resolution to, the securities regulatory authority in the other jurisdictions named in the application. Each securities regulatory authority will issue its own order, ruling or resolution.

Issuers should be aware that substantial exemptions from the requirements of this policy statement are granted infrequently. Exemptions that have been granted have often involved reporting issuers that are incorporated or organized outside of Canada, with only a de minimis connection to Canada in terms of the percentage of its security holders that are resident in Canada, and the issuers have often been subject to requirements imposed by securities or corporate legislation outside of Canada that serve to ensure that non-registered holders receive some level of communication from the issuer.

- 10.7 Authority to grant waivers or exemptions - To facilitate the operation of the procedure described in this Part, the authority to grant waivers and exemptions under this policy statement has been delegated by the respective securities regulatory authorities as follows:

British Columbia:	Waivers - Deputy Superintendent, Corporate Finance Exemptions - Deputy Superintendent, Exemptions and Orders,
Alberta	Director or Deputy Director, Securities Analysis

Ontario Director or Deputy Director, Corporate Finance
Québec: Exemptions - Directeur des opérations financières et de l'information
continue.
Waivers - Chef du service de l'information continue

- 10.8 General - Applications for any waiver of, or exemption from, the requirements of this policy statement should be in writing, identify the requirement that the applicant is seeking to have waived or exempted, set out the basis upon which the waiver or exemption should be given, specify whether the waiver or exemption is substantial and name the principal jurisdiction and each non-principal jurisdiction in which the application is made.

An applicant for waiver or exemption should include with its application the draft form of any related ruling, order or resolution that may be required.

An issuer may not be a reporting issuer in British Columbia, Alberta, Ontario or Québec. In that case, it should deal with the securities regulatory authority in the jurisdiction of its choice, provided that it is a reporting issuer in that jurisdiction and the jurisdiction agrees to act as principal jurisdiction. In considering whether to agree to act as principal jurisdiction, the proposed principal jurisdiction will consider a number of factors demonstrating the issuer's connection to the jurisdiction -- including the location of the issuer's head office in Canada, the level of business carried on by the issuer in the jurisdiction and the number of holders of securities of the issuer in the jurisdiction.

National Policy Statement No. 41

Appendix A

EXPLANATORY STATEMENT

[LETTERHEAD OF INTERMEDIARY]

Based on your instructions, the securities in your account with us are not registered in your name but in our name. The issuers of the securities in your account, therefore, do not know your name or that you own their securities. The issuers only know that a number of their securities are registered in our name.

Disclosing Your Name, Address and Holdings

The policy of the Canadian Securities Administrators respecting security holder communication has been amended to allow reporting issuers to send material directly to its non-registered holders, such as yourself. If a reporting issuer of the securities you hold with us chooses to send the materials directly to you in accordance with the policy and you are not a resident of Québec, we are required to disclose your name, address, securities holdings and preferred language of communication UNLESS you return the enclosed Response Card indicating that you want this information kept confidential.

If you are a resident of the Province of Québec, you must provide your authorization to allow us to disclose your name, address and securities holdings to the reporting issuers of the securities in your account.

Whether or not you are a resident of the Province of Quebec, if you CONSENT to the disclosure of your name, address and holdings to the reporting issuers of the securities in your account, please tick the first box on Part I of the enclosed Response Card. Where you consent, your preferred language of communication (English or French) will also be disclosed. If you DO NOT CONSENT to the disclosure of this information to these issuers, please tick the second box on Part I of the enclosed Response Card.

Your Right To Receive Security Holder Materials

As a non-registered security holder, you still have the right to vote at meetings of security holders, if you own voting securities, and to receive security holder materials that the reporting issuers send to their registered security holders. You will not receive most materials that reporting issuers send to their registered security holders UNLESS you return the enclosed Response Card indicating that you want to receive security holder materials.

If you WANT to receive material, please tick the first box on Part II of the enclosed Response Card. If you DO NOT WANT to receive material, please tick the second box on Part II of the enclosed Response Card.

If you have any questions or want to change your instructions in the future please contact [name] at [phone number] or [address]. If you wish to change your instructions regarding disclosure of your name and address and holdings, or regarding receipt of security holder materials, you must do so in writing.

RESPONSE CARD

FROM: [NAME OF INTERMEDIARY]

PART I

PLEASE INDICATE BELOW WHETHER YOU CONSENT TO US DISCLOSING YOUR NAME, ADDRESS SECURITY HOLDINGS AND PREFERRED LANGUAGE OF COMMUNICATION (ENGLISH OR FRENCH) TO REPORTING ISSUERS OF SECURITIES YOU HOLD WITH US, IN ACCORDANCE WITH THE POLICY OF THE CANADIAN SECURITIES ADMINISTRATORS RESPECTING SECURITY HOLDER COMMUNICATION.

CONSENT TO YOU DISCLOSING MY NAME, ADDRESS, SECURITY HOLDINGS AND PREFERRED LANGUAGE OF COMMUNICATION TO THE REPORTING ISSUERS OF SECURITIES I HOLD WITH YOU.

DO NOT CONSENT TO YOU DISCLOSING MY NAME, ADDRESS, SECURITY HOLDINGS AND PREFERRED LANGUAGE OF COMMUNICATION TO THE REPORTING ISSUERS OF SECURITIES I HOLD WITH YOU.

PART II

PLEASE INDICATE BELOW WHETHER YOU WANT TO RECEIVE SECURITY HOLDER MATERIALS FROM THE REPORTING ISSUERS OF SECURITIES YOU HOLD WITH US IN ACCORDANCE WITH THE POLICY OF THE CANADIAN SECURITIES ADMINISTRATORS RESPECTING SECURITY HOLDER COMMUNICATION. IF YOU INDICATE THAT YOU DO NOT WANT MATERIALS YOU MAY STILL RECEIVE MATERIALS FOR MEETINGS WHERE SPECIAL BUSINESS WILL BE CONDUCTED.

WANT TO RECEIVE PROXY-RELATED MATERIALS AND ANNUAL FINANCIAL STATEMENTS OR AN ANNUAL REPORT OF THE REPORTING ISSUERS OF SECURITIES I HOLD WITH YOU.

DO NOT WANT TO RECEIVE PROXY-RELATED MATERIALS AND ANNUAL FINANCIAL STATEMENTS OR AN ANNUAL REPORT OF THE REPORTING ISSUERS OF SECURITIES I HOLD WITH YOU.

PART III

PLEASE TICK ONE OF THE BOXES BELOW INDICATING YOUR PREFERRED LANGUAGE OF COMMUNICATION.

ENGLISH FRENCH

Please read before signing.
(Two signatures are required on joint ownership accounts.)

Client signature _____ Date _____

National Policy Statement No. 41

Appendix B

Form of Search Card

[Instructions: A reporting issuer, at least 20 days prior to the record date of a meeting, is required to deliver a Search Card to each participant, intermediary and registered nominee whose name is given in response to the early search or, where an issuer's transfer agent has the necessary information, whose name is provided by the transfer agent. Part I sets out information to be provided by the issuer to the intermediary. Part II sets out information to be provided by the intermediary to the issuer.

The Search Card has been designed for use by reporting issuers. Where a person or company other than the issuer uses this Search Card for the purpose of sending materials to non-registered holders of securities, the term "issuer" should be read as "person or company using the Search Card for the purpose of sending materials to non-registered holders". Only the reporting issuer may obtain a list of non-objecting holders of its securities.]

SEARCH CARD

PART I

ISSUER INFORMATION

Item 1 - Name and address of the issuer.

State the name and municipal address of the issuer.

Item 2 - Contact person(s)

State the name, address, telephone number and facsimile number of the contact person(s) of the issuer, or of the issuer's agent, if applicable.

Provide the billing address of the issuer or of the issuer's agent if different.

Item 3 - Purpose of the Search Card

State the nature of the materials to be sent (e.g., materials in respect of an annual meeting or a meeting at which special business is to be transacted, audited annual financial statements or annual report).

Item 4 - Annual meeting or meeting at which special business is to be transacted

Where the materials relate to an annual meeting of security holders, or a meeting at which special business is to be transacted, provide the intermediary with the following information:

- (a) Type of meeting - annual or special business;
- (b) Record date of meeting;
- (c) Date, time and place of meeting; and
- (d) Cut-off date and time for proxy receipt (if applicable).

Item 5 - Name and CUSIP number of each class of securities required to be searched

Give the name and CUSIP number of each class of securities the issuer requires the intermediary to search. In the case of a meeting of security holders, give the name and CUSIP number of each class of securities entitled to receive notice of the meeting.

Item 6 - Sending notwithstanding instructions

Where the issuer requires that materials be sent to all non-registered holders of a class of its securities in respect of which the registered holders are entitled to receive the materials, so state.

State whether sending to all non-registered holders is required under National Policy Statement No. 41 (because special business will be transacted at a meeting of security holders) or because the issuer has elected to do so.

Item 7 - Sending by issuer to non-objecting holders

An issuer shall specify whether the issuer will send security holder materials to its non-objecting holders or, in the alternative, rely upon intermediaries to send materials to non-objecting holders.

If the issuer elects to send the materials directly, or by its agent, to non-objecting holders of its securities, the Search Card shall include a request for a list of the names, addresses, holdings and preferred language of communication of:

- (a) non-objecting holders that have given instructions that they wish to receive materials from the issuer; or
- (b) all non-objecting holders.

Refer to section 3.1 of National Policy Statement No. 41 for the definition of "non-objecting holder", including application of the definition to persons or companies with an address in the Province of Québec.

Where the issuer requests such a list, the Search Card shall also include a request for delivery to the issuer of an omnibus proxy signed by the intermediary and appointing each non-objecting holder named on the list as the intermediary's proxy holder in respect of the securities held by the intermediary on behalf of the non-objecting holder. The omnibus proxy shall be in a form similar to that set out in Appendix C to National Policy Statement No. 41, for the aggregate number of securities held by the holders named on the list described in paragraph (a) or (b), as applicable, to be voted by the issuer on behalf of the non-objecting holders, but only to the extent that instructions are received by the issuer from the non-objecting holders.

In addition, where the issuer requests such a list, the issuer shall also provide an undertaking to the intermediary that the issuer will

- (a) use the information set out on the list only for purposes of sending security holder materials under National Policy Statement No. 41; and
- (b) send the materials to all of the non-objecting holders on the list.

Item 8 - Materials available for sending

Provide an itemized list of the materials to be delivered to the intermediary for sending to non-registered holders.

This list may include but is not limited to the following:

- (a) notice of meeting;
- (b) information circular;
- (c) notice of change of information in circular;
- (d) request for voting instructions;
- (e) voting instructions return envelope;
- (f) audited annual financial statements;
- (g) annual report;
- (h) supplemental mailing list return card; and
- (i) materials transmittal envelope (state if materials are non-standard size).

Indicate whether the materials are available in English, in French or both English and French.

Item 9 - Date when intermediaries will receive materials

State the date when the issuer anticipates that intermediaries will receive the materials.

Item 10 - Undertaking to pay fees

Provide an undertaking to the effect that the issuer undertakes to pay the intermediaries the fees and charges in accordance with National Policy Statement No. 41.

Item 11 - Authorization

Provide a signature, authorizing the search, in the following or similar form:

Authorized on behalf of [name of issuer] by:

[Signature of person authorizing]

(print or type name of person authorizing)

(Official title of person authorizing)

Intermediary Response to Search Card

Item 1 - Name and address of intermediary

State the name and municipal address of the intermediary.

Item 2 - Contact person

State the name, telephone number and facsimile number of the contact person(s) of the intermediary, or of the intermediary's agent, if applicable.

Item 3 - Sending by issuer to non-objecting holders

Where an issuer has specified that it will send, directly or through its agent, security holder materials to the issuer's non-objecting holders, the intermediary shall deliver the list requested by the issuer of the names, addresses, holdings and preferred language of communication of either

- (a) non-objecting holders that have given instructions that they wish to receive materials from the issuer; or
- (b) all non-objecting holders;

in accordance with the request of the issuer.

Where the issuer requests such a list, the intermediary shall also deliver to the issuer an omnibus proxy to the issuer signed by the intermediary and appointing each non-objecting holder named on the list as the intermediary's proxy holder in respect of the securities held by the intermediary on behalf of the non-objecting holder. The omnibus proxy shall be in a form similar to that set out in Appendix C to National Policy Statement No. 41, for the aggregate number of securities held by the holders named on the list described in paragraph (a) or (b), as applicable.

Item 4 - Delivery of materials

Provide, where different from Item 2, the name and municipal address to which the materials are to be delivered together with the name, telephone number and facsimile number of the contact person. If a "drop off" point has been established for the convenience of issuers, this should be specified.

Item 5 - Number of sets of materials required for sending by intermediary

State the number, including the number required in English and French, of each item of materials specified in Item 8 of Part I of the Search Card required for sending by the intermediary to non-registered holders. Where an issuer has elected to send materials to non-objecting holders of its securities, an intermediary shall only state the number of each item of materials that the intermediary will send.

Item 6 - Consolidation of Search Card replies

If applicable, provide a list of all nominees in whose names securities of clients of the intermediary are registered.

Item 7 - Person responsible for the search

Provide a confirmation of the search in the following or similar form:

Completed by:

(signature)

(print or type name)

(Official title of person named)

(Telephone Number)

(Date)

National Policy Statement No. 41

Appendix C

Form of Omnibus Proxy

[Instructions: An omnibus proxy, including schedule, shall be completed by depositories in response to a Search Card delivered by an issuer. Each depository is to return the completed omnibus proxy, including schedule, to the issuer named in the proxy within two business days after the record date specified in the Search Card. At the same time as the depository delivers the completed omnibus proxy to the issuer, the depository shall notify each of the participants set out in the schedule to the omnibus proxy of the particulars concerning the proxy given in respect of that participant.]

[Where a reporting issuer requests from an intermediary a list of the names, addresses, holdings and preferred language of communication of non-objecting holders of its securities, an omnibus proxy is to be completed by the intermediary and delivered to the issuer together with the list of non-objecting holders, for the aggregate number of securities held by the non-objecting holders named on the list. The form of the omnibus proxy shall be substantially the same as the form of omnibus proxy set out in this Appendix, with the necessary changes, including a schedule that sets out the holdings of each non-objecting holder named on the list.]

[Letterhead of Registered Security Holder or Proxy Holder]

OMNIBUS PROXY

The undersigned, being a registered security holder or proxy holder of [name of issuer], hereby appoints each of the persons or companies identified in the attached schedule, with power of substitution in each, to attend, vote and otherwise act for and on behalf of the undersigned to the extent of the number of securities specified, in respect of all matters that may come before the meeting of security holders described below, and at any adjournment or continuance thereof.

This instrument supersedes and revokes any prior appointment of proxy made by the undersigned with respect to the voting of the securities specified below at such meeting, or at any adjournment thereof.

Issuer: _____

Class of Security: _____

CUSIP Number: _____

Number of securities...: _____

Record date of meeting: _____

Date of meeting: _____

Place of meeting: _____

Registered Security Holder
or Proxy Holder

Signing Officer

Date

National Policy Statement No. 41
Schedule to Appendix C

[Letterhead of Registered Security Holder or Proxy Holder]

SCHEDULE TO OMNIBUS PROXY

Participant Security Positions

Issuer: _____

CUSIP Number: _____

Date schedule prepared: _____

Participant Total Position

[Name/address of participant] [position held by participant]

[Name/address of participant] [position held by participant]

[Name/address of participant] [position held by participant]

Total positions held by participants.....[Total]

FEES AND COSTS PAYABLE BY REPORTING ISSUER TO INTERMEDIARIES

1. General - The fees and costs set out in this Appendix are based upon the following principles:
 - (a) reporting issuers, intermediaries and others benefit from a book-based system of registration of securities;
 - (b) subject to paragraph (c), a reporting issuer should bear the cost of communicating with non-registered holders of its securities, including reasonable costs incurred by an intermediary;
 - (c) an intermediary should bear the cost of protecting confidentiality in its relationship with its client, whether the requirement for confidentiality arises under statute, Civil Code (Québec), common law, contract, trust agreement or otherwise; and
 - (d) computerization and centralization of records of depositories, intermediaries and reporting issuers are encouraged.

Fees are intended to compensate an intermediary for: searching its records for non-registered holders of securities; responding to the Search Card; preparing and delivering a list of names of, and certain other information concerning, non-registered holders; and sending security holder materials to non-registered holders. Where an intermediary sends proxy-related materials, the cost of preparing requests for voting instructions and of tabulating votes is to be borne by the intermediary.

Fees are based upon the reporting issuer fulfilling its obligations under National Policy Statement No. 41.

2. Maximum fees and costs - Subject to section 3 of this Appendix, where an intermediary that holds securities of a reporting issuer on behalf of non-registered holders of the securities and, in accordance with National Policy Statement No. 41:

- (a) provides the issuer with a list of the names, addresses, holdings and preferred language of communication of non-registered holders; or
- (b) sends proxy-related materials, audited annual financial statements or an annual report to non-registered holders, where the non-registered holders are not included in the list referred to in paragraph (a);

the issuer shall pay the intermediary the following fee and costs, unless otherwise agreed:

- (c) \$0.50 per name for the first 1,000 names on the list referred to in paragraph (a), \$0.35 per name for the next 1,000 names and \$0.15 per name for the balance, subject to a minimum fee of \$10.00 where the intermediary provides the issuer with the name of at least one non-registered holder;
- (d) \$1.25 for each non-registered holder to whom the intermediary sends security holder materials (including audited annual financial statements or an annual report, where

included in the sending of proxy-related materials), subject to a minimum fee of \$10.00 where the intermediary sends security holder materials to at least one non-registered holder;

- (e) \$1.25 for each non-registered holder to whom the intermediary sends audited annual financial statements or annual report (where not included in the sending of proxy-related materials described in (b)), subject to a minimum fee of \$10.00 where the intermediary sends the statements or report to at least one non-registered holder; and
- (f) the actual cost of postage incurred by the intermediary in mailing to non-registered holders the materials, statements or report described in (d) and (e), including the cost of postage where voting instructions are returned to the intermediary, or, where sent by means other than mail, the lower of the cost of mailing and the out-of-pocket cost of sending by means other than mail.

3. Issuer not required to pay prescribed fees and costs in certain cases - A reporting issuer is not required to pay an intermediary the fees and costs set out in section 2 of this Appendix that are related to sending security holder materials:

- (a) to an objecting holder; and
- (b) where the materials relate to a meeting at which special business is to be transacted, to a non-responsive holder whose name has not been included in a non-objecting holder list delivered by the intermediary to the issuer;

provided that:

- (c) the materials are sent in accordance with National Policy Statement No. 41; and
- (d) the issuer delivers to the intermediary the number of sets of materials indicated by the intermediary in response to the Search Card.

4. Table showing application of fees and costs - Schedule 1 to this Appendix is a table that sets out the cases when a reporting issuer will and will not be required by National Policy Statement No. 41 to pay to an intermediary the prescribed fees and costs.

In the first case shown in the table, if a reporting issuer requests a list of non-registered holders of its securities from intermediaries, for sending to only those non-registered holders that have requested that they receive security holder materials, the issuer is responsible for paying to intermediaries only a fee for provision of the list. Intermediaries are responsible for the costs of sending security holder materials to non-registered holders that have given instructions that they wish to receive materials but object to their names and other particulars being disclosed to the issuer. The issuer is, however, responsible for delivering to intermediaries sufficient security holder materials for sending by the intermediaries to the objecting holders.

In the last case shown in the table, where no special business is to be transacted, if a reporting issuer does not request a list of non-registered holders of its securities from intermediaries and chooses to send security holder materials to all non-registered holders, the issuer is responsible for paying intermediaries the delivery fee and postage for sending to all non-registered holders except those that have objected to their names and other particulars being disclosed to the issuer.

5. Reporting issuer to bear cost of delivery to intermediaries - In all cases where an intermediary sends security holder materials to non-registered holders of securities of a reporting issuer in

D O L P D O E S R T S A G E	RESPONSIVE	N/A	NO	YES	N/A	NO	YES
	HOLDERS			(Note 1)	(Note 1)		
OBJECT TO DISCLOSURE		NO	NO	NO	NO	NO	NO

KEY: YES - ISSUER REQUIRED TO PAY INTERMEDIARY.
 NO - ISSUER NOT REQUIRED TO PAY INTERMEDIARY.

NOTE(1): INCLUDES ONLY THOSE NON-RESPONSIVE HOLDERS, IF ANY, NOT NAMED ON THE NON-OBJECTING HOLDER LIST PROVIDED BY INTERMEDIARY ISSUER.