

## Headnote

MRRS - Reporting issuers and intermediaries holding securities on behalf of beneficial owners exempted from requirements contained in sections 85 and 86 of the Act and National Policy 41 that certain proxy-related materials be delivered by prepaid mail or personal delivery, where delivery is effected in accordance with electronic delivery procedures offered behalf of the reporting issuers and intermediaries by a shareholder communications service provider - three-year sunset period.

### Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 85, 86, 88(2)

### Rules Cited

*In the Matter of Certain Reporting Issuers* (1988), 11 OSCB 1029.

*In the Matter of Certain Reporting Issuers* (1997), 20 OSCB 1219 as amended by (1999) 22 OSCB 152 and (2000) 23 OSCB 288.

### Policies Cited

National Policy Statement No. 41 (1987), 10 OSCB 6386

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA,  
ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUEBEC, NEW BRUNSWICK,  
PRINCE EDWARD ISLAND, NOVA SCOTIA, NEWFOUNDLAND, THE NORTHWEST  
TERRITORIES, NUNAVUT AND THE YUKON TERRITORY

AND

IN THE MATTER OF THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE  
RELIEF APPLICATIONS

AND

IN THE MATTER OF  
ADP INDEPENDENT INVESTOR COMMUNICATIONS CORPORATION

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the **Decision Maker**), in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, Prince Edward Island, New Brunswick, Newfoundland, Yukon, Northwest Territories and Nunavut (collectively, the **Jurisdictions**) has received an application from ADP Independent Investor Communications Corporation (**IICC**), as an interested company, for a decision pursuant to the securities legislation, regulations, rules and/or policies of the Jurisdictions (the **Legislation**) that (i) Participating Issuers (as defined below), and (ii) Participating Intermediaries, as defined below, on whose behalf IICC delivers Proxy-Related Materials (as defined below) using the IICC Electronic Delivery Procedures (as defined below), be exempt from requirements of the Legislation that delivery of such Proxy-Related Materials be made by prepaid mail, postage-paid first class mail, personal delivery, or similar forms of delivery as applicable (the **Paper Delivery Requirements**);

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the **System**), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS IICC has represented to the Decision Makers that:

1. IICC, a corporation incorporated under the laws of Ontario in 1987, is an indirect wholly-

owned subsidiary of Automatic Data Processing, Inc. (AADP@), a corporation incorporated under the laws of the State of Delaware, United States of America.

2. IICC is a service company for the purposes of National Policy 41 - *Shareholder Communication* (ANP 41") that provides shareholder communication services as agent for other persons and companies that are intermediaries, as defined in NP 41.
3. In connection with a meeting (the AMeeting@) of security holders of a reporting issuer or the equivalent, IICC proposes to deliver proxy-related materials, as defined in NP 41, and where applicable, a request for voting instructions in lieu of a form of proxy (collectively, the AProxy-Related Materials@), to (i) the registered holders, as defined in NP 41, on behalf of such reporting issuer or the equivalent (the AParticipating Issuer@) and, (ii) the non-registered holders, as defined in NP 41, on behalf of certain intermediaries (the AParticipating Intermediaries@), using IICC's electronic delivery procedures as described in paragraph 5 below (the AIICC Electronic Delivery Procedures@).
4. The IICC Electronic Delivery Procedures were developed by ADP and first implemented in the United States in 1998 for U.S. reporting issuers.
5. The material aspects of the IICC Electronic Delivery Procedures are as follows:
  - (a) IICC Electronic Delivery Procedures will be offered as an alternative to the traditional paper-based mail system of document delivery, and registered and non-registered holders (collectively, the ASecurity Holders@) of a Participating Issuer that wish to receive Proxy-Related Materials in paper form may have such Proxy-Related Materials delivered in accordance with the applicable Paper Delivery Requirements.
  - (b) Enrolment for delivery of Proxy-Related Materials by the IICC Electronic Delivery Procedures will be initiated by an advance consent electronic or paper communication (the AConsent Notice@) to a Participating Issuer's Security Holders; the Consent Notice, among other things, will give the Security Holders a detailed explanation of the IICC Electronic Delivery Procedures including the specific Proxy-Related Materials that will be electronically available, technical requirements for viewing such Proxy-Related Materials and the period of time that such Proxy-Related Materials will be available for electronic delivery.
  - (c) The Consent Notice will direct the Security Holders that wish to enrol for the IICC Electronic Delivery Procedures to IICC's web site,

www.investordeliverycanada.com (the IICC Web Site®).

- (d) For secure processing, IICC uses SSL (Secure Sockets Layer) 40-bit encryption on the IICC Web Site.
  - (e) In order to enrol for the IICC Electronic Delivery Procedures, a Security Holder must use an enrolment number provided to it in the Consent Notice to access an enrollment screen on the IICC Web Site; to complete enrolment, the Security Holder must provide, among other information, its e-mail address and a self-determined confidential personal identification number (APIN®).
  - (f) IICC validates the e-mail address provided by the Security Holder by sending a test e-mail that, in turn must be replied to by such Security Holder to complete enrolment; if such Security Holder's e-mail address is found to be invalid, the relevant Proxy-Related Materials will be delivered to the Security Holder in accordance with the applicable Paper Delivery Requirements.
  - (g) The IICC Web Site's enrolment system provides instructions in English and French and is available 24 hours a day.
  - (h) On the date that Proxy-Related Materials are to be mailed to a Participating Issuer's registered holders in accordance with the requirements of the Legislation, a Security Holder that is enrolled for IICC Electronic Delivery Procedures will receive from IICC an e-mail notification (the eDelivery Notice®) that such Proxy-Related Materials are available electronically at the Participating Issuer's URL Web site (the "Participating Issuer Web Site").
  - (i) The Security Holder will be able to access, view and download the relevant Proxy-Related Materials at the Participating Issuer Web Site by following the detailed instructions contained in the Delivery Notice.
6. The IICC Electronic Delivery Procedures do not meet the Paper Delivery Requirements applicable to certain Proxy-Related Materials which must be delivered to registered and/or non-registered holders; however, the IICC Electronic Delivery Procedures will comply with the principles set out in National Policy 11-201 - *Delivery of Documents by Electronic Means*, and with the delivery requirements for applicable Proxy-Related Materials under proposed National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*.
7. The IICC Electronic Delivery Procedures are functionally equivalent to delivering the Proxy-Related Materials in accordance with the Paper Delivery Requirements,

because they appropriately address the elements of notice, access, evidence of delivery and non-corruption or alteration of documents in the delivery process.

8. The IICC Electronic Delivery Procedures improve the efficiency and competitiveness of the Canadian system for shareholder communications.
9. Canadian and U.S. markets are increasingly interdependent and electronic delivery and voting is already available to Canadian security holders of U.S. issuers.
10. The proposed IICC Electronic Delivery Procedures are well-accepted and field-tested in the U.S. market.

AND WHEREAS pursuant to the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the **ADecision@**);

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that, with respect to a Meeting:

- (i) a Participating Issuer be exempt from the requirements of the Legislation to send Proxy-Related Materials to its registered holders in accordance with the Paper Delivery Requirements where IICC, on the Participating Issuer's behalf, delivers such Proxy-Related Materials to the Participating Issuer's registered holders pursuant to the IICC Electronic Delivery Procedures; and
- (ii) a Participating Intermediary be exempt from the requirement of the Legislation to send Proxy-Related Materials to non-registered holders of a Participating Issuer in accordance with the Paper Delivery Requirements where IICC, on the Participating Intermediary's behalf, sends such Proxy-Related Materials to such non-registered holders pursuant to the IICC Electronic Delivery Procedures;

provided that this Decision shall cease to be effective in a Jurisdiction on the day that is three years after the date hereof.

DATED at Toronto this 14th day of December, 2000.

AR.W.Korthals@

AR.W Davis@

---

---

