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

From: Computershare Trust Company of Canada

Subject: Request for Comment on Proposed Amendments to NI 54-101

Date: December 30, 2003

Dear CSA Member Commissions,

Computershare Trust Company of Canada (Computershare), with two exceptions, supports the proposed amendments to NI 54-101 and to CP 54-101. Our specific comments are as follows:

1. We fully support the repeal of paragraph 2.2(2)(h) of the NI and the reversion to the treatment of annual meetings under existing corporate law pertaining to “special resolutions” and “special meetings”. The introduction of the definitions of routine and non-routine business created significant confusion in the early stages of NI 54-101 and resulted in significant expense as a result of communication with the entire body of shareholders (registered and beneficial) of many issuers over matters that did not represent a fundamental change to the issuers.

2. We fail to see why the CSA continues to ignore the important issue of responsibility for the cost of delivery to OBO’s.

   Computershare believes that issuers should have the responsibility to pay for OBO delivery. This supports at least two of the fundamental principles of NI 54-101, efficiency as well as equitable and clearly defined obligations, not to mention similar treatment of all securityholders. If communication with registered shareholders and NOBO’s is at the issuer’s expense, surely OBO delivery should be included, given the goals of the Instrument and the small cost involved.

We say “small cost” as it has been reported by ADP Investor Communications that in the 2003 proxy season, 519 issuers refused to pay for OBO delivery. However, only 118,797 packages of proxy material were related to these refusals, an average of about 228 packages per issuer. Even at a cost of $10.00 per package, the total impact averages $2,280.00 per issuer, not a significant amount. By way of comparison, 3,891 issuers did pay for OBO delivery as well as NOBO delivery covering the cost for delivery of over 9,000,000 packages of proxy related materials, an average of 2,327 packages per issuer.

In addition, the work and cost involved by both intermediaries and service providers in the administration of OBO costs not paid by issuers is significant and only adds to the frustration experienced by these groups. Further, any election by an intermediary under the proposed Section 4.8 to declare as OBO’s all clients who had not consented expressly would multiply the costs of administration and frustration.

We urge the CSA to reconsider this issue and address what many stakeholders see as a major failure of the Instrument.

3. We are concerned about continued confusion among individual investors relative to the choices available for receipt or non-receipt of securityholder material, particularly proxy-related material. For the sake of elimination of this confusion, we believe that the investor should have two choices

    A. to be a NOBO or an OBO, and
    B. to receive or not to receive any securityholder material, regardless of type.

    Underlying these two simple choices is an acknowledgement that should an issuer, at its own expense, require the delivery of securityholder materials to all holders, then securityholders, regardless of their choice under B above, will receive the material.

Our concern is based partially on being advised there is consideration being given by some Commissions to expansion of the definition of special meetings. Rather than bring back order (which would be achieved if the reason for a special meeting remained static) to an already complex process, we believe this will only add to the cost associated with investor communication, especially to investors who really do not want to receive any material and are fully aware of what is happening relative to their investments, and add to the frustration investors feel when they receive mail they would rather not see.

4. 4. While we note that the Effective Date in Part Two is left blank, we do understand from discussions with the CSA that the existing provisions of NI 54-101 will apply for next year's proxy season. Since implementation of change in the middle of a proxy season would create significant confusion among issuers and service providers alike, we support an Effective Date of June 30, 2004. A date later than that would interfere with the effective date for implementation of the second stage of NI 54-101.