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VIA E-MAIL

August 13, 2010

British Columbia Securities Commission  
Alberta Securities Commission  
Saskatchewan Financial Services Commission – Securities Division  
Manitoba Securities Commission  
Ontario Securities Commission  
Autorité des marchés financiers  
New Brunswick Securities Commission  
Registrar of Securities, Prince Edward Island  
Nova Scotia Securities Commission  
Superintendent of Securities, Northwest Territories  
Superintendent of Securities, Yukon Territory  
Superintendent of Securities, Nunavut

Ontario Securities Commission  
20 Queen Street West  
19<sup>th</sup> Floor, Box 55  
Toronto, ON M5H 3S8  
Fax: (416) 593-2318  
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Attention: John Stevenson, Secretary

Autorité des marchés financiers  
800, square Victoria, 22e étage  
C.P. 246, tour de la Bourse  
Montreal, QC H4Z 1G3  
Fax: (514) 864-6381  
E-mail: [consultation-en-cours@lautorite.qc.ca](mailto:consultation-en-cours@lautorite.qc.ca)

Attention: Anne-Marie Beaudoin, Corporate Secretary

**Re: Notice and Request for Comments – Proposed Amendments to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, (“NI 54-101”) Companion Policy 54-101CP *Communication with Beneficial Owners of Securities of a Reporting Issuer*, National Instrument 51-102 *Continuous Disclosure Obligations* (“NI 51-102”), Companion Policy 51-102CP *Continuous Disclosure Obligations* and National Policy 11-201 *Delivery of Documents by Electronic Means* (the “Proposed Amendments”)**

Dear Sirs/Mesdames:

Canadian Oil Sands Trust (“Canadian Oil Sands”, the “Trust” or “we”) appreciates the efforts of the Canadian Securities Administrators (the “CSA”) to review and update NI 54-101 and related instruments to improve the securityholder communication process. We also appreciate the CSA allowing us to comment on the Proposed Amendments.

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Generally, Canadian Oil Sands supports the CSA's efforts as the Proposed Amendments will:

- significantly reduce reporting issuer printing and postage costs;
- result in positive impacts on the environment;
- increase the transparency of the proxy voting process;
- adequately address the potential impact on retail shareholders; and
- increase the likelihood that shareholders will read and understand the matters to be voted on at a meeting.

The Trust is an open-ended investment trust managed by Canadian Oil Sands Limited ("COSL") and its units are traded on the Toronto Stock Exchange. Canadian Oil Sands provides a pure investment opportunity in the Syncrude Project through its 36.74 % working interest. Located near Fort McMurray, Alberta, Syncrude Canada operates large oil-sands mines and an upgrading facility that produces a light, sweet crude oil on behalf of its joint venture owners, which include COSL, Sinopec Oil Sands Partnership, Imperial Oil Resources, Mocal Energy Limited, Murphy Oil Company Ltd., Nexen Oil Sands Partnership, and Suncor Energy Oil and Gas Partnership.

With respect to the Proposed Amendments, Canadian Oil Sands has the following comments:

1. ***We propose to exclude proxy-related materials relating to special meetings from notice-and-access. Should we expand notice-and-access to include special meetings? Should other types of meetings be excluded from notice-and-access as well?***

It is our understanding that the CSA is not proposing notice-and-access for meetings at which a special resolution will be considered (i.e. a resolution passed by a majority of not less than 2/3 of the votes cast by shareholders who voted) ("**Special Meetings**") and that a meeting where special business is considered (i.e. all business other than the consideration of the financial statements and auditor's report, fixing the number of directors for the following year, election of directors and reappointment of the incumbent auditor) that does not require a special resolution is not considered a Special Meeting for the purposes of NI 54-101. If so, then we generally support the CSA's proposal to exclude proxy-related materials relating to Special Meetings from the notice-and-access model. However, we believe that securityholders should be given the opportunity to choose whether they want to receive proxy-related materials electronically through notice-and-access for both general and Special Meetings. Please see our comments below regarding question #7.

2. ***We propose that reporting issuers be able to use notice-and-access to send proxy-related materials to some, but not all beneficial owners, so long as this fact is publicly disclosed and an explanation provided. Should there be restrictions on when a reporting issuer can use notice-and-access selectively?***

Canadian Oil Sands is of the view that a reporting issuer should have the ability to be able to use notice-and-access to send proxy-related materials to some, but not all beneficial owners, provided that this fact must be publicly disclosed and explained. There may be specific circumstances or legislative restrictions that limit the use of notice-and-access to a certain group of securityholders. In our view, this limitation should not interfere with the efficiency and costs savings realized from utilizing notice-and-access where available.

3. *The US model of notice-and-access seems to have resulted in a decrease in voting by retail shareholders. Our notice-and-access proposal has some significant differences from the US model which are intended to minimize the impact on retail shareholders. Does our notice-and-access proposal adequately meet the needs of retail shareholders who wish to vote? Are there any specific enhancements or other ways that notice-and-access can be made more user-friendly?*

We acknowledge the concern that in the United States the percentage of retail shareholders that vote their proxies is lower among those that simply receive the notice of proxy-related materials versus those that receive the full package of materials. However, we believe that the differences between the CSA proposal and the United States notice-and-access model sufficiently address the potential impact of a notice-and-access model on Canadian retail shareholders.

4. *We would appreciate data from issuers, service providers and other stakeholders on the anticipated costs and savings of implementing and using the notice-and-access process. Will notice-and-access result in meaningful costs savings that make the proxy voting system more efficient?*

The notice-and-access model will result in significant costs savings from not having to mail out the proxy-related materials to all of our securityholders. We anticipate that under the notice-and-access model that we will save approximately \$75,000 to \$500,000 per year in printing and postage costs. Furthermore, reducing written communication will have positive impacts on the environment in that less paper and fuel will be used in the production and transport of material that many of our unitholders have informed us they do not want to receive in hard copy.

5. *We propose to give reporting issuers flexibility in the form and content of the notice provided the notice contains certain specified information. Is this approach appropriate, or should there be a prescribed form?*

Canadian Oil Sands agrees that reporting issuers should be given flexibility in the form and content of the notice provided the notice contains certain prescribed information. This allows each reporting issuer to tailor the language in the notice provided to fit their specific circumstances and securityholder base while still providing the required legal information.

6. *The CSA proposal does not impose any restrictions on additional materials that can be included with the notice and voting instruction form. We do not have any concerns with including additional material that explains the notice-and-access process, such as a Q&A. However, is it appropriate for reporting issuers and others to include materials that address the substance of the matters to be voted on at the meeting? Would this create a disincentive for investors to read the full information circular? Should there be restrictions on what can be included in these types of materials? Should there be requirements prescribing basic information that these types of materials must contain?*

We believe that it is appropriate for reporting issuers to have the ability to include materials that address the substance of the matters to be voted on at the meeting with the notice and voting instruction form. A securityholder is more likely to initially read a condensed version of the substantive matters to be voted on at the meeting than the full information circular. Accordingly, receiving a summary of the matters to be voted on will enable securityholders to better understand the matters to be voted on at the meeting given that many securityholders do not read the full information circular when it is voluminous in size. Rather, summary forms often prompt securityholders to go to those sections of the complete meeting materials that interest them.

7. ***Is the requirement in subsection 4.6(1) of NI 51-102 that requires reporting issuers to send an annual request form to registered holders and beneficial owners of their securities to request financial statements and management's discussion and analysis adequately integrated with the requirements to send proxy-related materials? Will notice-and-access have any impact?***

The separate delivery requirements for proxy-related materials and annual request forms for financial statements and MD&A are not adequately integrated. Under the Proposed Amendments, a securityholder would be able to request a hard copy of the proxy-related materials, which the reporting issuer would have to send within three business days of receiving the request. At a minimum, the annual request form should give securityholders the ability to indicate whether or not they want to receive the proxy-related materials through notice-and-access.

Under NI 51-102, reporting issuers would still be required to mail their annual financial statements and management's discussion and analysis ("MD&A") to securityholders that request them. As a result, instead of taking advantage of notice-and-access, some reporting issuers might find it more efficient to mail their proxy-related materials along with their financial statements and MD&A in a single delivery to securityholders.

Ideally, the CSA would implement a single process that allows securityholders to annually check a form either in writing or through notice-and-access stating:

- (a) whether or not they want to receive the annual an interim financial statements and MD&A and how they want to receive such materials (paper copies, notice-and-access or email); and
- (b) whether they want to receive the proxy-related materials for general and Special Meetings and how they want to receive such materials (paper copies, notice-and-access or email).

We believe that the above process would greatly increase the cost savings for reporting issuers and promote shareholders taking the time to read and consider the implications of any business to be conducted at a meeting, be it general or special business.

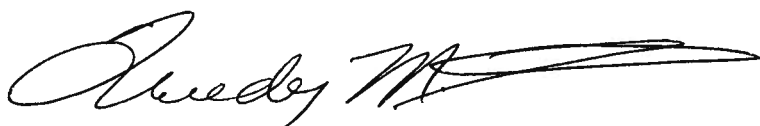
8. ***The Proposed Amendments require management of reporting issuers that choose not to pay for delivery to OBOs to disclose this fact in the management information circular. The intent is to make the proxy voting system more transparent and easier to navigate. Will this disclosure facilitate this objective?***

Canadian Oil Sands believes that the additional disclosure will increase the transparency of the proxy voting system and provide useful information to assist beneficial owners in the voting process.

Thank you for the opportunity to comment on the Proposed Amendments. If you would like to discuss our comments please do not hesitate to contact me at (403) 218-6240 or at [trudy\\_curran@cos-trust.com](mailto:trudy_curran@cos-trust.com)

Yours truly,

**CANADIAN OIL SANDS LIMITED**



Trudy Curran  
General Counsel and Corporate Secretary