

March 9, 2020

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumers Services Commission of New Brunswick
Superintendent of Securities, Prince Edward Island
Nova Scotia Securities Commission
Superintendent of Securities, Newfoundland and Labrador
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon Territory
Superintendent of Securities, Nunavut

M^e Philippe Lebel
Corporate Secretary and Executive Director, Legal Affairs
Autorité des marchés financiers
Place de la Cité, tour Cominar
2640, boulevard Laurier, bureau 400
Québec (Québec) G1V 5C1
Fax: (514) 864-8381
Email: consultation-en-cours@lautorite.qc.ca

The Secretary
Ontario Securities Commission
20 Queen Street West
22nd Floor
Toronto, Ontario M5H 3S8
Fax: 416-593-2318
Email: comments@osc.gov.on.ca

Re: CSA Consultation Paper 51-405 – Consideration of an Access Equals Delivery Model for Non-Investment Fund Reporting Issuers

This letter represents the comments of Broadridge Investor Communications Corporation¹ (Broadridge) in response to your request for comment on CSA Consultation Paper 51-405 – *Consideration of an Access Equals Delivery Model for Non-Investment Fund Reporting Issuers* (the “Consultation”).

¹ Broadridge is an industry leader in the Canadian financial marketplace, facilitating the investor communication process since 1987. Our services include delivery of shareholder communications and other documents on behalf of corporate issuers, mutual funds and banks, brokers and trust companies, in compliance with industry regulations. We currently support 66 proximate intermediaries (representing 253 financial institutions) holding securities on behalf of investors of approximately 3,000 Canadian public issuers, as well as custodians and institutional investors. Broadridge’s global reach also provides U.S. and other foreign investors the opportunity to receive materials from and participate actively in the voting process for Canadian reporting issuers. Unique to Broadridge are our domestic and global reach and our combined industry, regulatory and information technology expertise. Our clients rely on us to help them efficiently and cost-effectively comply with applicable proxy and disclosure laws and regulations through the deployment of technology-based solutions.

Introduction

Broadridge supports the assertion of the Consultation that “...information technology is an important and useful tool in improving communication with investors... Electronic access to documents provides a more cost-efficient, timely and environmentally friendly manner of communicating information to investors than physical delivery.”

We believe that any communication framework – either in practice or proposed – should leverage technology to improve efficiencies, reduce costs *and* support investor engagement and protection. It is our view that while the proposed access equals delivery framework may remove small, persistent costs, it will significantly increase the difficulty for retail investors to access this information, resulting in reduced engagement with disclosure communications. This will compromise investor protections. We submit that any change in the current communication model should aim to increase investor engagement with disclosure communications and build on the principle of pushing the information directly to investors, not requiring investors to search for it.

We will provide data that illustrates the current frameworks – notice-and-access and National Instrument 51-102 – *Continuous Disclosure Obligations* (NI 51-102) investor preference model – are delivering significant cost efficiencies to issuers without compromising investor participation and engagement. Together, notice-and-access and NI 51-102 have allowed issuers to realize significant cost savings since their inception.

Technology creates the opportunity to benefit both issuers (via cost savings) and investors (through more targeted and effective communication). Policies should be implemented with a view to providing the greatest good for all market participants.

Ensuring effective access for investors

In the request for comment, the CSA refers to “access equals delivery” as a proposed framework whereby documents are posted to a website(s) and investors may be informed of their availability via press release or other indirect means. The proposed access equals delivery model would in fact impose barriers (i.e. additional steps)² to accessibility by requiring investors to go looking for information and eliminating automatic access to specific documents.

² DM Cain, S Mullainathan. “Channel Factors That Block (Psychologically) Effective Access”. Unforeseen Risks of the Proposal on “Internet Availability of Proxy Materials”. Harvard University, 2016.

“We worry that notice-and-access may provide lower levels of psychologically effective access than those provided to investors today. The evidence cited so far hopefully makes clear that apparently small barriers to access and changes in the status quo can effectively deter access. There are good reasons that the SEC would demand that shareholders be at least mailed “notifications” of the presence of online proxy materials, rather than merely leaving it up to shareholders to “check online, from time to time.” Likewise, there are good reasons to put substantial information into the actual hands of investors. As a default, consumers should receive enough information to make informed decisions, though perhaps not so much as to overwhelm them. The information in-hand should be sufficient to inform investors and provide sufficient momentum towards maintained participation. At the very least, it is our strong belief that any proposed method of shareholder notification (and even the current) ought to be properly tested to assess its true effectiveness.”

Information accessibility generally refers to removing the barriers to access and minimizing the effort required to get information regardless of the ability of the user. Accessibility is related to the principle of creating an environment without restrictions, operating within the widest possible range of situations.

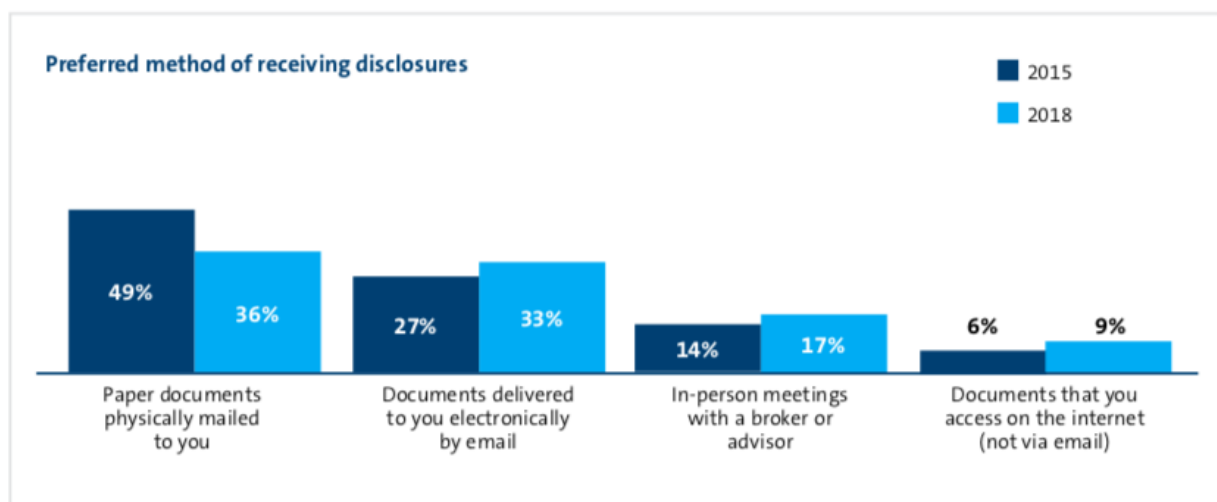
Since documents are already made available on SEDAR and most issuer's websites, this framework produces no additional benefit in terms of increased availability of information. The proposed access equals delivery framework only removes requirements for delivery of materials or specific notification that materials are available. It in no way enhances accessibility to those materials.

Delivery and receipt of regulatory disclosure information cannot be assured by simply making the documents available on a website. Rules should be drafted to focus on supporting current and future technologies that build on the fundamental principle of pushing the information directly to investors and not on the notion that investors will know when or where to search for information, or that it is sufficient to post a press release, which may or may not come to the attention of the investor, that advises of its availability.

The proposed framework may be workable for institutional investors that have systems in place to continuously monitor the newswires and SEDAR, but it will significantly reduce the access in practice for retail investors.

Retail investor landscape

In its survey conducted in 2018³ of nearly 30,000 U.S. investors, the FINRA Investor Education Foundation (FINRA) reported investor preferences for receipt of disclosure information.

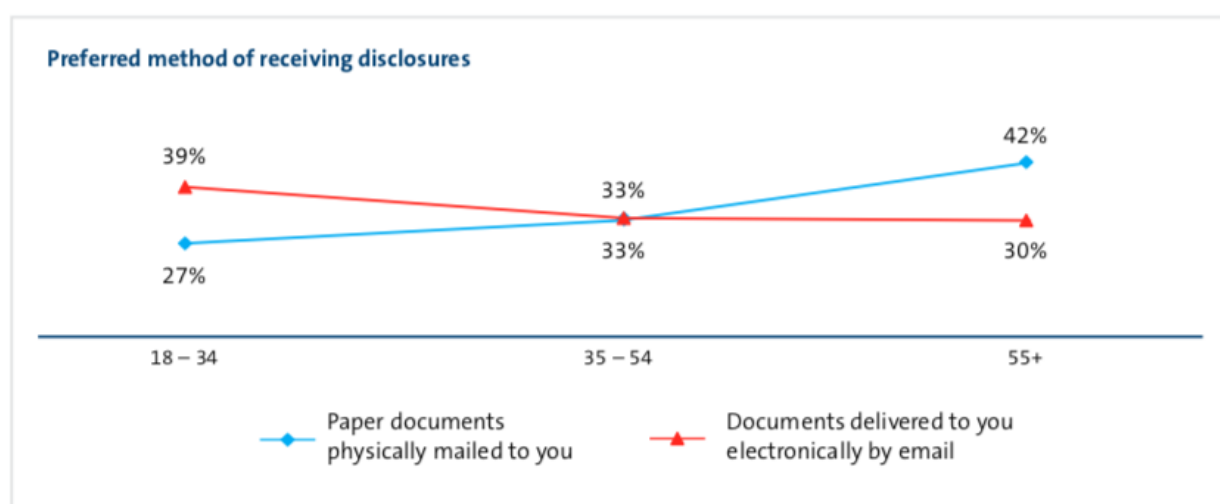


³ FINRA Investor Education Foundation, *Investors in the United States, A Report of the National Financial Capability Study* (December 2019), online: https://www.usfinancialcapability.org/downloads/NFCS_2018_Inv_Survey_Full_Report.pdf

According to the FINRA survey, investors prefer to have disclosures mailed to them as paper documents (36%), although this percentage has dropped considerably from 49% in 2015. Receiving disclosure documents via email is a close second (33%, up from 27% in 2015). Investors indicated a preference of 17% in 2018 compared to 14% to receive disclosure in-person meetings with a broker or advisor.

Since 2015, 6% of investors and then 9% of investors indicated a preference to access disclosure documents on the Internet (not via email). In summary, 91% of investors preferred to have documents delivered to them compared to an “access equals delivery” model.

Preference for paper documents increases by age, while preference for email delivery decreases by age.



Delivery preferences vary by age demographics. Whether notification is an app, email or by mail, investors are still more likely to read and act when information is pushed to them. As this data illustrates, the variance in preference is in the preferred method of receiving documents.

Here we address the questions specifically asked in the Consultation:

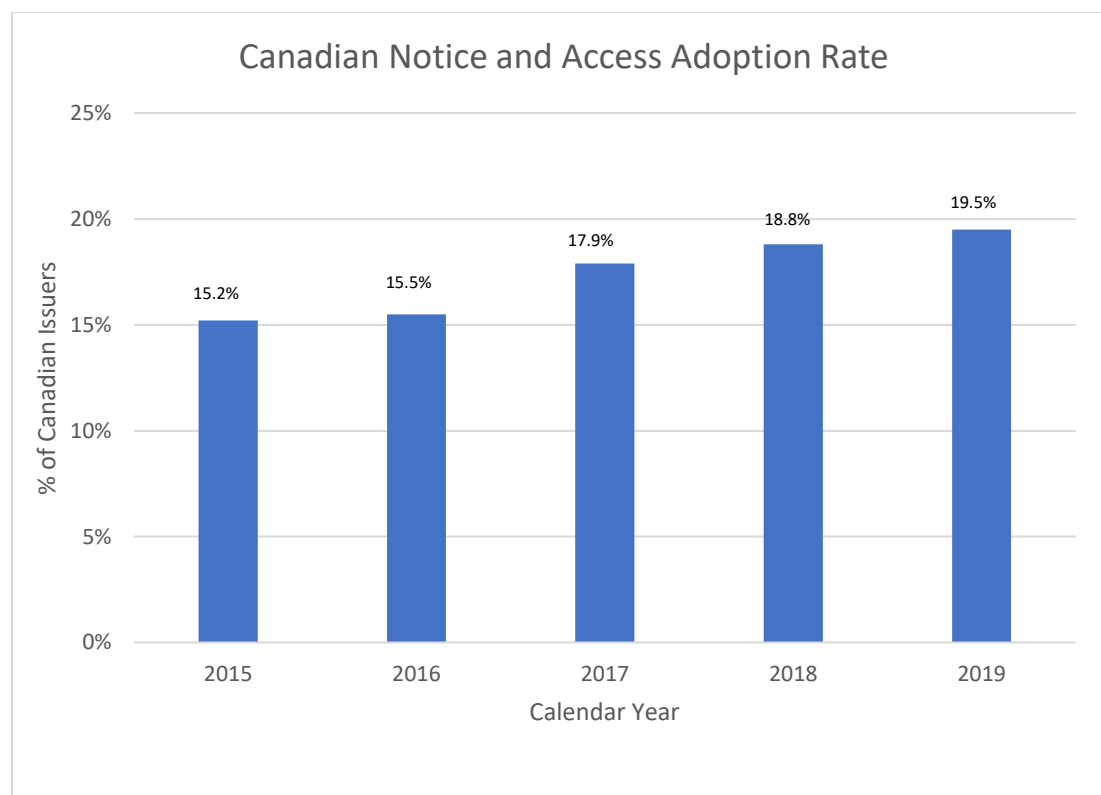
- 1. Do you think it is appropriate to introduce an access equals delivery model into the Canadian market? Please explain why or why not.**

We do not believe the introduction of another communication framework is necessary or appropriate. The CSA was rigorous in its approach to the introduction of notice-and-access to provide issuers with cost savings and to ensure retail investors were not disadvantaged and thus disengaged by an issuer’s decision to use the notice of Internet delivery option.

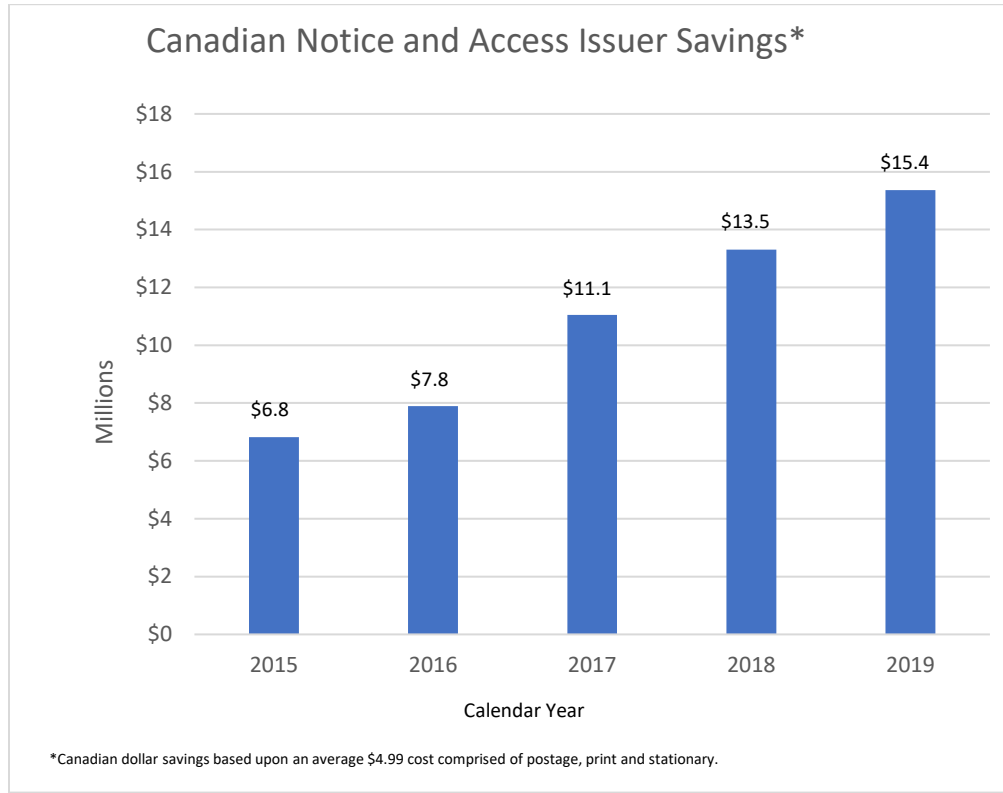


In Canada, notice-and-access is the framework whereby documents are posted to a website(s) and investors receive a notice and a voting form via e-delivery or paper. The notice provides a direct link to the documents (push model) and along with the voting form, includes proposals and agenda items.

Broadridge tracks statistics on adoption and use of notice-and-access for delivery of proxy materials.



Amendments to the *Canada Business Corporations Act* will enable the participation of an additional 18% of Canadian issuers currently not eligible to leverage notice-and-access.



Canadian issuers have recognized savings of over \$54.6 million dollars since 2015 with notice-and-access.

Issuers and investors continue to benefit from current rules for notice-and-access. Since its introduction, issuer adoption, and savings, continue to increase, with no negative impact to retail voting participation.

The CSA's approach to the introduction of notice-and-access in Canada reflected the fundamental principle of pushing information to investors rather than expecting them to know when the information is available and requiring them to take steps to obtain it. (Parenthetically, this principle is also one that marketers have long relied on; namely, if people are to be made aware of information, it needs to be sent directly to them.)

Forcing investors to search for their investment information could lead to a significant decline in participation and voting, a scenario that the CSA took particular interest to avoid when considering the empirical data on the negative participation impact of the U.S. notice-and-access model.

The notice-and-access model introduced in the U.S. in 2008 imposed barriers to receiving voting information. Under the U.S. system, investors get notice of the availability of proxy information but have to take additional steps to actually access the voting form in order to vote.

The notice-and-access framework in the U.S. had a negative impact on voting participation by retail investors. In fact, the rates in the U.S. have not recovered to pre-notice-and-access voting rates.

In the Canadian notice-and access model retail investors are sent both the notice and the Voting Instruction Form (VIF) which includes the resolutions and agenda items to be voted. This information encourages action and therefore participation. (Please see appendix for an illustrative sample of a VIF and notice.)

The notice-and-access model introduced in Canada is working. It was well considered and is demonstrating results in issuer savings and investor engagement. A change to an access equals delivery model will potentially confuse issuers and investors alike and jeopardize engagement and participation.

2. In your view, what are the potential benefits or limitations of an access equals delivery model? Please explain.

The negative impacts of access equals delivery on retail investor engagement are known. As the FINRA survey found, investors do not search for regulatory disclosures on the Internet. They need to be notified, provided with key summary information in user-friendly standard formats and engaged to link to more detailed information through layered disclosures.

The current CSA rules and framework recognize and support this premise. With notice-and-access, investor preferences are supported, and targeted push communications provide easy access to the required documentation, specifically where there is time sensitivity for a response such as a corporate action or shareholder meeting.

Given the challenges associated with ongoing monitoring of various websites, it cannot be presumed that retail investors will continuously search for new or updated information. The proposed changes should be drafted to focus on supporting digital technologies that build on the fundamental principle of providing notification of relevant document availability directly to investors and not on the notion that investors will know how and when to search for information.

3. Do you agree that the CSA should prioritize a policy initiative focussing on implementing an access equals delivery model for prospectuses and financial statements and related MD&A?

We do not agree that the CSA should consider a policy initiative that promotes the implementation of access equals delivery. Currently, investors request financial statements and related MD&A as part of the annual request forms being delivered to investors under NI 51-102 for beneficial securityholders through an opt-in method. Significant savings from the elimination of printing financial statements and related MD&A have been realized by issuers as a result of the regulation, while still providing investors with the information they want delivered.

The benefits of NI 51-102 are significant. In the last three years, issuers have saved over \$100 million in costs and the savings are substantially higher since the introduction of NI 51-102 in 2006. It is not clear that moving to the access equals delivery model proposed will produce significant additional cost savings.

Policies should focus on encouraging issuers' use of digital platforms and investor adoption of these notification and push technologies.

4. If you agree that an access equals delivery model should be implemented for prospectuses:

- a. Should it be the same model for all types of prospectuses (i.e. long-form, short-form, preliminary, final, etc.)?**

We do not believe access equals delivery should be implemented for any type of prospectus. The trend is for regulatory documents to be sent digitally and corporate issuers are able to send offering memorandums and prospectuses electronically. This approach is more environmentally friendly, convenient, cost effective and supports investor preference for receiving materials digitally.

Solutions exist in the marketplace today that enable timely and targeted digital communication with investors. Similar technology could be utilized to fulfill the delivery requirements for new issue preliminary and final prospectus documents on request. It would also have the benefit of allowing for accurate tracking of when a prospectus was sent/delivered, thereby making calculation of the withdrawal period straightforward.

The CSA noted in Annex A to the Consultation that, in 2005, the SEC adopted an access equals delivery model for final prospectuses in registered offerings ("Securities Offering Reform") based on the assumption that investors have access to the Internet. This model was intended to facilitate effective access to information for institutional investors, while taking into account the advancements in technology and the practicalities of the offering process. In looking at this model, it is important to draw the distinction between the abundance of materials that go to underwriters in deals (initial offering circulars, red herrings, etc.) and the comparative lack of materials that go to retail investors.

In Canada, new issue (including IPO) prospectuses are also delivered to every offering participant, including retail investors. There is a real risk in creating a precedent in establishing an access equals delivery model given its known negative impact on investor protection and engagement.

- b. How should we calculate an investor's withdrawal right period? Should it be calculated from (i) the date on which the issuer issues and files a news release indicating that the final prospectus is available electronically, (ii) the date on which the investor purchases the securities, or (iii) another date? Please explain.**

See comment under 4a.

- c. Should a news release be required for both the preliminary prospectus and the final prospectus, or is only one news release for an offering appropriate?**

See response to question 7.

- 5. For which documents required to be delivered under securities legislation (other than prospectuses and financial statements and related MD&A) should an access equals delivery model be implemented? Are there any investor protection or investor engagement concerns associated with implementing an access equals delivery model for rights offering circulars, proxy-related materials, and/or take-over bid and issuer bid circulars? In your view, would this model require significant changes to the proxy voting infrastructure (e.g. operational processes surrounding solicitation and submission of voting instructions)? Please explain.**

Relying on access equals delivery for any communications that require timely investor actions would be problematic. These time sensitive communications include documents relating to rights offerings, takeover or issuer bids and proxy materials. As the U.S. notice-and-access experience showed, the negative impact on investor engagement will be significant.

Current guidance contained in the Canadian notice-and-access rules and in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (NI 54-101) specify that “Proxy-related materials that are posted under subparagraph 2.7.1(1)(d)(ii) must be posted in a manner and be in a format that permit an individual with a reasonable level of computer skill and knowledge to do all of the following easily: (a) access, read and search the documents on the website; (b) download and print the documents.”

The same kind of guidance should be applied to any new regulatory disclosure frameworks to ensure they meet basic usability thresholds. The importance here is that the investor is receiving actual and timely notice of the posting of the material so it can be reviewed and informed action may be taken.

In our view, no change should be applied to the existing proxy infrastructure. A change in the process along the lines of the Consultation would result in a significant and irreversible decline in retail investors' engagement with disclosure materials and vote participation. Investors expect automatic delivery of a notice, VIF or the materials in a manner consistent with their standing preferences.

6. Under an access equals delivery model, an issuer would be considered to have effected delivery once the document has been filed on SEDAR and posted on the issuer's website.

a. Should we refer to "website" or a more technologically-neutral concept (e.g. "digital platform") to allow market participants to use other technologies? Please explain.

"Digital platform" is the most appropriate term in this context, as it does not limit the inclusion of future technologies. The rule should be drafted to allow the adoption of current and future digital platform technologies and focus on supporting communication options that will increase investor engagement with disclosure communications building on the fundamental principle of pushing information directly to investors, as per the existing e-delivery model.

Of greater concern is that any system to be used is readily accessible to all investors and that the investors are given clear notice of what is posted, when it is/will be available and that it can be easily found.

b. Should we require all issuers to have a website on which the issuer could post documents?

The fundamental principle should be that investors receive or be specifically directed to investment information that is relevant to that individual – e.g. based on holdings, or in the context of an action or intent – in a manner that employs sending or delivering an appropriate communication. Whether information is posted on a website (SEDAR or an issuer's) is secondary to the principle of getting the necessary information directly to the investor. A notice that informs the availability of information is not effective as compared to a direct push of that information.

All issuers should be required to post material to a website other than SEDAR. Currently, only issuers that utilize the notice-and-access model are subject to NI 54-101 2.7.4 Posting Material on a non-SEDAR website.

7. Under an access equals delivery model, an issuer would issue and file a news release indicating that the document is available electronically and that a paper copy can be obtained upon request.

a. Is a news release sufficient to alert investors that a document is available?

b. What particular information should be included in the news release?

Relying on posting a news release to give notice likely would result in a significant and irreversible decline in investors' engagement with disclosure materials.⁴

It is unclear how effective a news release is in communicating important information to the whole investor community. Retail investors are unlikely to subscribe to newswire services or check SEDAR on a daily basis and so likely would be getting their information from other media sources. The business media are going to pick up and disseminate news releases from large issuers. Smaller issuers' news releases are likely to

⁴ This statement is supported by the clear decline in retail voting participation in the U.S. after notice-and-access was implemented for proxy materials as noted above. Under the U.S. system, the investors get notice of the availability of proxy information but have to take additional steps to actually access that information in order to vote.

be less widely distributed, resulting in less transparency for retail investors. In both cases, the information that gets distributed beyond the press release is unlikely to include sufficient information to make for easy access to the actual documents.

8. Do you have any other suggested changes to or comments on the access equals delivery model described above? Are there any aspects of this model that are impractical or misaligned with current market practices?

The fundamental reason for disclosure requirements is to provide investors, and the public more generally, with all material information about the issuer and its securities so that informed investment decisions can be made. Requiring the disclosure documents to be prepared, at the issuer's expense, and then not providing them in an effective manner to those investors undercuts the whole goal of disclosure.

Changes to regulations involving investor communications should not unintentionally reduce investors' access to information by requiring them to take extensive steps to receive it. Information must remain easily accessible and available in the format preferred by the investor. The perceived cost savings anticipated in an access equals delivery model is not of sufficient benefit to justify the significant reduction in investor engagement with disclosure communications. By contrast, greater cost savings are available under current rules and guidance without a change in the delivery default, simply by making it easier for issuers to use targeted digital communication options that are currently available.

Digital platforms provide delivery of financial information to the sites currently being visited by the investors. For example, the NYSE's Proxy Fee Advisory Committee ("PFAC") published recommendations supporting the Enhanced Broker Internet Platform (EBIP)⁵ concept as a means of fostering greater retail engagement and cost savings efficiencies through technology (May 2012).⁶

Currently, 24 U.S. broker/dealers provide their clients with access to Investor Mailbox (one example of an EBIP provided by Broadridge). As a group, these 24 brokers have approximately 55% of all accounts held in street name in the U.S.

Voting participation through EBIPs is growing each year. In the 12 months ending June 30, 2017, retail shareholders voted over 2.1 million positions using the Investor Mailbox. This represents 16% of all positions voted by retail investors on Broadridge's online platforms – up from just 7% in the 12 months ending June 30, 2015.

Rather than moving to an access equals delivery framework that brings with it real risks of retail investor disengagement, the CSA may want to consider promoting the adoption of new and emerging digital platforms to encourage greater long-term savings, while at the same time improving investor engagement and participation.

⁵ An EBIP is a system whereby, among other things, investors received notices of upcoming corporate votes, and have the ability to access proxy materials and voting forms, through their own broker's website

⁶ *Recommendations of the Proxy Fee Advisory Committee to the New York Stock Exchange* (May 16, 2012), online: <http://www.shareholdercoalition.com/sites/default/files/NYSE%20PFAC%20Report%205-16-2012.pdf>



Some examples include:

Notifications through multi-channels – including text message, instant message, and other means further facilitate mobile access to regulatory communications. Notifications can be enriched to include key content in the body of the message, better branding, and a means to easily connect with issuers, brokers, funds, and advisors. (All channels provide compliance links to full reports.)

Personal interactive communications technologies – push information to investors and provide personalization, interactivity, and layered information in user-friendly formats on all devices - using charts, tables, videos, and key summary information.

Integration with mobile apps – integration across each investor's digital experience with the companies they are invested in with their brokers, advisors, and fund companies – provides better context for regulatory communications and makes them more understandable.

Addition of technology features (e.g., QR codes) – will make it easier for investors to access information and provide their consents to e-delivery. This will provide a smoother path to greater use of technology by individual investors who receive mailed notices.

In Conclusion

Technology has enabled tremendous improvements in the investor communication process in the past 25 years. This has benefitted issuers, investors, and indeed all industry participants. It has made possible tremendous **efficiencies**, reducing costs, and improving the speed and accuracy with which issuers and intermediaries can communicate with investors. It has increased **equity** in investor communications by supporting a model of investor choice and allowing investors to specify what materials they want to receive and how they want to receive them. Technology also promotes greater **engagement** and **protection** of investors.

We would be pleased to meet with representatives from the CSA to discuss further the digital communication options and our technology infrastructure that enables them. We are also happy to provide further quantitative data that may be informative and valuable.

Broadridge remains committed to improving the regulatory disclosure systems for issuers, intermediaries, investors and all other constituents of the investor communication process.

Sincerely,

A handwritten signature in black ink, appearing to read "Patricia Rosch".

Patricia Rosch
Broadridge
President
Investor Communication Solutions, International

Appendix

Sample Voting Instruction Form

VOTING INSTRUCTION FORM

BROADRIDGE FINANCIAL SOLUTIONS, INC.

MEETING TYPE: ANNUAL MEETING
 MEETING DATE: FRIDAY, APRIL 24, 2020 AT 9:00 AM EDT
 RECORD DATE: FEBRUARY 27, 2020
 PROXY DEPOSIT DATE: APRIL 22, 2020 CUID: ABCD
 ACCOUNT NO: 1234567891234567891 CUSIP: 12345D

CONTROL NO.: → 1234 5678 9012 3456

STEP 2

APPOINT A PROXY (OPTIONAL)

APPOINTEE(S): APPOINTEE 1, OR FAILING HIM, APPOINTEE 2

IF YOU WISH TO ATTEND THE MEETING OR DESIGNATE ANOTHER PERSON TO ATTEND, VOTE AND ACT ON YOUR BEHALF AT THE MEETING, OR ANY ADJOURNMENT OR POSTPONEMENT THEREOF, OTHER THAN THE PERSON(S) SPECIFIED ABOVE, PRINT YOUR NAME OR THE NAME OF THE OTHER PERSON ATTENDING THE MEETING IN THE SPACE PROVIDED HEREIN. UNLESS YOU INSTRUCT OTHERWISE, THE PERSON WHOSE NAME IS WRITTEN IN THIS SPACE WILL HAVE FULL AUTHORITY TO ATTEND, VOTE AND OTHERWISE ACT IN RESPECT OF ALL MATTERS THAT MAY COME BEFORE THE MEETING OR ANY ADJOURNMENT OR POSTPONEMENT THEREOF, EVEN IF THESE MATTERS ARE NOT SET OUT IN THE FORM OR THE CIRCULAR.

PLEASE PRINT APPOINTEE NAME ABOVE

E-R1

STEP 3

COMPLETE YOUR VOTING DIRECTIONS

01 ELECTION OF DIRECTORS: VOTING RECOMMENDATION: FOR ALL THE NOMINEES PROPOSED AS DIRECTORS (FILL IN ONLY ONE BOX " ☐ " PER NOMINEE IN BLACK OR BLUE INK)

	FOR	WITHHOLD		FOR	WITHHOLD		FOR	WITHHOLD
01 DIRECTOR A	<input type="checkbox"/>	<input type="checkbox"/>	07 DIRECTOR G	<input type="checkbox"/>	<input type="checkbox"/>	13 DIRECTOR M	<input type="checkbox"/>	<input type="checkbox"/>
02 DIRECTOR B	<input type="checkbox"/>	<input type="checkbox"/>	08 DIRECTOR H	<input type="checkbox"/>	<input type="checkbox"/>	14 DIRECTOR N	<input type="checkbox"/>	<input type="checkbox"/>
03 DIRECTOR C	<input type="checkbox"/>	<input type="checkbox"/>	09 DIRECTOR I	<input type="checkbox"/>	<input type="checkbox"/>	15 DIRECTOR O	<input type="checkbox"/>	<input type="checkbox"/>
04 DIRECTOR D	<input type="checkbox"/>	<input type="checkbox"/>	10 DIRECTOR J	<input type="checkbox"/>	<input type="checkbox"/>			
05 DIRECTOR E	<input type="checkbox"/>	<input type="checkbox"/>	11 DIRECTOR K	<input type="checkbox"/>	<input type="checkbox"/>			
06 DIRECTOR F	<input type="checkbox"/>	<input type="checkbox"/>	12 DIRECTOR L	<input type="checkbox"/>	<input type="checkbox"/>			

ITEM(S): VOTING RECOMMENDATIONS ARE INDICATED BY HIGHLIGHTED TEXT OVER THE BOXES (FILL IN ONLY ONE BOX " ☐ " PER ITEM IN BLACK OR BLUE INK)

02 APPOINTMENT OF AUDITORS.

FOR WITHHOLD
☐ ☐

03 TO APPROVE THE 2020 STOCK OPTION PLAN.

FOR AGAINST
☐ ☐

04 ADVISORY VOTE ON THE COMPANY'S APPROACH TO EXECUTIVE COMPENSATION.

FOR AGAINST
☐ ☐

05 TO TRANSACT SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING AND ANY ADJOURNMENT OR POSTPONEMENT THEREOF.

FOR AGAINST ABSTAIN
☐ ☐ ☐

TO RECEIVE FUTURE PROXY MATERIALS BY MAIL CHECK THE BOX TO THE RIGHT, TO REQUEST MATERIALS FOR THIS MEETING REFER TO THE NOTICE INCLUDED IN THE PACKAGE WITH THIS FORM.

☐

TO RECEIVE ANNUAL AND/OR INTERIM FINANCIAL STATEMENTS AND ACCOMPANYING MANAGEMENT'S DISCUSSION AND ANALYSIS, PLEASE MARK THE APPLICABLE BOX.

ANNUAL INTERIM
☐ ☐

STEP 4

THIS DOCUMENT MUST BE SIGNED AND DATED

SIGNATURE(S) *INVALID IF NOT SIGNED*

M M D D Y Y

Appendix Sample Notice

ANNUAL MEETING OF SHAREHOLDERS OF SAMPLE COMPANY NOTICE AND ACCESS NOTIFICATION TO SHAREHOLDERS

You are receiving this notification as Sample Company (the "Company") has decided to use the notice and access model for delivery of meeting materials to its shareholders. Under notice and access, shareholders still receive a proxy or voting instruction form enabling them to vote at the Company's meeting. However, instead of a paper copy of the Information Circular [and the Annual Report], shareholders receive this notice with information on how they may access such materials electronically. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and also will reduce the cost of printing and mailing materials to shareholders.

Explanation of Notice and Access. Section 2.7.1(1)(a)(vi)

MEETING DATE AND LOCATION:

WHEN: Friday, April 24, 2020
9:00 a.m. EDT

WHERE: Royal Ballroom,
Meeting Place Hotel
123 Any Street
Any City, Any Province
A1B 2C3

Date and Time of Meeting.
S. 2.7.1(1)(a)(i)

SHAREHOLDERS WILL BE ASKED TO CONSIDER AND VOTE ON THE FOLLOWING MATTERS:

ELECTION OF DIRECTORS: Shareholders will be asked to fix the number of directors and elect directors for the next year. Information respecting the election of directors may be found in the "Nominees for Director" section of the Information Circular.

APPOINTMENT OF AUDITORS: Shareholders will be asked to re-appoint Audit Company as the company's auditors for the ensuing year, and fix their remuneration. Information respecting the appointment of Audit Company may be found in the "Appointment of Auditors" section of the Information Circular.

Description of each matter or group of related matters.
S. 2.7.1(1)(a)(ii)

SAY ON PAY: Shareholders will be asked to consider and approve an advisory (non-binding) resolution regarding the Company's approach to executive compensation, which is more fully described in the "Say on Pay" and "Executive Compensation" sections of the Information Circular.

The section(s) of the Information Circular where disclosure regarding each matter or group of matters can be found.
S. 2.7.1(1)(a)(vi)(D)

SHAREHOLDER PROPOSALS: Shareholders will be asked to consider proposals submitted by shareholders. The full text of the proposals can be found in the "Shareholder Proposals" section of the Information Circular.

OTHER BUSINESS: Shareholders may be asked to consider other items of business that may be properly brought before the meeting. Information respecting the use of discretionary authority to vote on any such other business may be found in the "Other Business" section of the Information Circular.

A reminder to review the Information Circular before voting.
S. 2.7.1(1)(a)(iv)

SHAREHOLDERS ARE REMINDED TO VIEW THE MEETING MATERIALS PRIOR TO VOTING.

WEBSITES WHERE MEETING MATERIALS ARE POSTED

Material can be viewed online at www.SEDAR.com or at the following Internet addresses:

Information Circular: <http://www.samplecompany.com/2020infocirc.pdf>

Interim Request Card: <http://www.samplecompany.com/2020quarter.pdf>

E-delivery Encouragement Letter: <http://www.materials.proxyvote.com/S60019.pdf>

Annual Report: <http://www.samplecompany.com/2019annualreport.pdf>

Website addresses for SEDAR and non-SEDAR website where materials are posted.
S. 2.7.1(1)(a)(iii)

Include the Annual Report only if the issuer is sending the annual financial statements and MD&A pursuant to 4.6(5) of NI 51-102.

HOW TO OBTAIN PAPER COPIES OF THE MEETING MATERIALS

Beneficial shareholders may request paper copies of the meeting materials be sent to them by postal delivery at no cost. Requests for meeting material may be made up to one year from the date the Information Circular was filed on SEDAR, online at www.ProxyVote.com or by telephone at 1-877-XXX-XXXX and entering the control number located on the voting instruction form or notification letter and following the instructions provided.

Requests should be received at least 5 business days in advance of the proxy deposit date and time set out in the accompanying proxy or voting instruction form in order to receive the meeting materials in advance of such date and the meeting date.

[Required if Stratification is used]

The company has determined that those [registered] and beneficial shareholders with existing instructions on their account to receive paper material ("standing instructions") and those [registered] and beneficial shareholders with addresses outside of Canada and the United States will receive a paper copy of the Information Circular [and Annual Report] with this notification.

VOTING:

[Registered Holders] are asked to return their proxies using the following methods by the proxy deposit date noted on your proxy:

INTERNET:

TELEPHONE:

FACSIMILE:

MAIL:

Beneficial Holders are asked to return their voting instruction form using the following methods at least one business day in advance of the proxy deposit date noted on their voting instruction form:

INTERNET: www.proxyvote.com

TELEPHONE: 1-800-474-7493 (ENGLISH) OR 1-800-474-7501 (FRENCH)

FACSIMILE: 905-507-7793

MAIL: DATA PROCESSING CENTRE

P.O. BOX 3700, STN INDUSTRIAL PARK

MARKHAM, ONTARIO L3R 9Z9

Shareholders with questions about notice and access can call toll free at 1-800-XXX-XXXX.

Explanation of how to obtain paper copies.
S. 2.7.1(1)(a)(v)

Toll-free number to request paper material.
S. 2.7.1(1)(e)

Estimated date to request a copy of the material for receipt by voting cut-off.
S. 2.7.1(1)(a)(vi)(B)

If Stratification was used list of the types of investors who will receive paper copies.
S. 2.7.1(1)(a)(vi)(A)

An explanation on how to return voting instructions.
S. 2.7.1(1)(a)(vi)(C)

Toll-free number the beneficial owner can call to get information on Notice and Access.
S. 2.7.1(1)(a)(vi)(E)