

## NEW RULES FOR COMMUNICATIONS WITH SHAREHOLDERS



SECURITIES LEGAL ALERT

AUGUST, 2002

### NEW RULES

On July 1, 2002, National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer together with Companion Policy 54-101CP (the "Instrument") and a number of new forms came into effect across Canada. It replaces National Policy 41 (the "Former Policy") which is no longer in effect.

The Instrument will allow reporting issuers to obtain from brokers the names of their beneficial shareholders who have not objected to being identified. It also allows issuers holding shareholder meetings after September 1, 2004 to send securityholder materials directly to any non-objecting beneficial owners of shares (referred to as "NOBOs"). These securityholder materials will be sent to objecting beneficial owners of shares indirectly through intermediaries.

The Instrument sets out the new rules to be followed with respect to communications that are mandated pursuant to corporate and securities law. This Instrument governs notice of meetings of reporting issuers.

Under the Instrument, the record date for notice of a meeting can now be no fewer than 30 days and no more than 60 days before the meeting date, as opposed to a minimum 35 days and a maximum 50 days under the Former Policy.

Under this Instrument, reporting issuers and others will have access to a list of NOBOs that hold securities of that issuer. This will allow for direct access to the beneficial owners of a reporting issuer's corporate securities, however it remains to be seen whether or not the NOBO lists will be extensive enough to be of any benefit.

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National Instrument 54-102 also came into effect July 1, 2002 and establishes procedures that will allow issuers to send interim financial statements and reports only to shareholders who specifically request the documents pursuant to the instrument.

**To view the Instruments, visit:**  
<http://www.albertasecurities.com/>