



2006 FAS ANNUAL CONFERENCE
FAIRMONT SCOTTSDALE PRINCESS, SCOTTSDALE, ARIZONA
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**REPORTS FROM KEY INDUSTRY INSTITUTIONS - ADP INVESTOR
COMMUNICATIONS**

Patricia Rosch
President



Efficiency, Compliance & Best Practices
>> A View from Within the Regulatory Framework

FAS Annual Conference 2006
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Agenda

- ADP: The Trusted Leader in Securityholder Communications
- A View from Within the Regulatory Framework:
The Scorecard
- Looking Ahead:
Innovation Continues
- Summary



The Trusted Leader in Securityholder Communications

ADP Investor Communications is the trusted partner for securityholder communications of the global capital markets and its participants.

Our integrated proxy, continuous disclosure, and transaction reporting services connect corporate issuers, mutual funds, banks and brokerages, institutional and retail investors through the timely, efficient exchange of information.

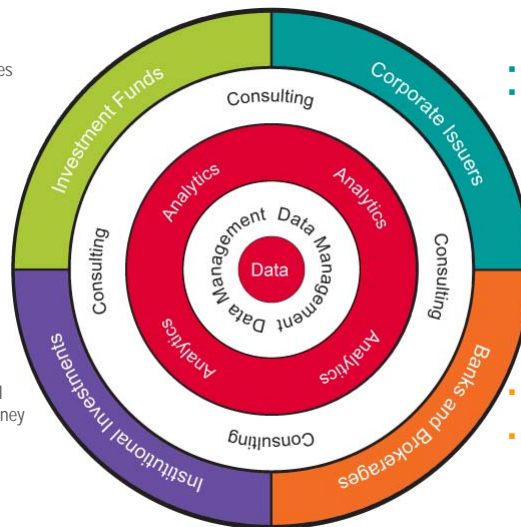
ADP's innovative investor communication solutions comply with securities laws and regulations and set the standard for best practices in strategic investor communications.



ADP Supports All Market Participants

- 32 fund companies

- 2,500 institutional investors and money managers



- 3,800 Canadian issuers
- 7,500 U.S. issuers

- 260 Canadian banks, brokers, trust companies
- 650 U.S. banks, brokers, trust companies



(Numbers of current ADP clients)

Regulatory Evolution Leads to New Products and Services

1987	Proxy Communications 41 – precursor to NI 54-101	Firm was established to support National Policy.
1996	Mutual Fund Communications	Introduced "Opt-In" Consent Collection to the industry – precursor to NI 81-106.
May 2002 and January 2004	Investor Research	Engaged a market research firm to conduct qualitative research on investors' perceptions of receiving regulatory documents.
July 2003	On-Demand Communications	Launched Smart Group of Products – print-on-demand documents that are personalized for each investor to support brokerage and mutual fund companies.
March 2004	Continuous Disclosure Solution for Issuers – NI 51-102	Introduced "Opt-In" Consent Collection as an integrated component of NI 54-101 Proxy Process.
September 2004 and February 2005	Proxy Communications	Completed new programming to support NI 54-101 and subsequent amendments.
December 2005	Continuous Disclosure Solution for Investment Funds – NI 81-106	Introduced Smart Disclosure for mutual fund companies to comply with National Instrument 81-106.



ADP is the Investor Data Hub in Canada

- As the data hub for investor information, only ADP serves as the conduit for timely, relevant communication between issuers and beneficial securityholders.
- ADP has been selected by market participants to continue to serve the industry in this role.
- We continue to make significant commitments in terms of time, resources, capital and operating expenditures to our IT and operational infrastructures to support proxy and continuous disclosure requirements.
- Our ongoing commitment to the evolution of our data management infrastructure ensures efficiency and compliance and encourages investor communication best practices.



A History of Innovation

Introduced	Service Offerings	Benefits	Who Wins
1987	Introduced Proxy Processing	Same treatment for beneficial and registered owners	Issuers, Investors, Intermediaries
1988-1992	Ongoing Automation to Proxy System	Reduce costs and improve accuracy	Issuers, Investors, Intermediaries
1998	Managed Account Processing	Reduce issuer costs	Issuers, Investors, Intermediaries
1998	Telephone Voting	Increase vote return	Issuers, Investors
1999	Smart Proxy for Investment Funds	Increase vote return	Investment Funds, Investors
2000	Internet Voting	Increase vote return and reduce costs	Issuers, Investors
2000	Internet Delivery	Reduce costs	Issuers, Investors, Intermediaries
2001	ProxyEdge®	Reduce issuer costs and improve vote returns	Issuers, Institutional Investors
2002	Electronic Vote Transmission	Faster vote reporting	Transfer Agents, Issuers
2003	ICSONline	Improve issuer service	Issuers
2004	Proxy Disclosure	Enhance corporate governance	Institutional Investors
2004	Interactive Shareholder Communications	Reduce issuer costs	Issuers, Investors
2004	Financial Statements Preference Management (NI 51-102)	Integrate two rules to reduce costs	Issuers, Investors
2005	Cross-Border Account Management	Improve issuer service	Issuers
2006	Individual Consolidation	Reduce issuer costs	Issuers, Investors, Intermediaries
2006	Analytics	Improve issuer service	Issuers, Investors

A View From Within the Regulatory Framework

ADP plays a critical role in the implementation of regulatory policy in Canada. Our relationship with the Canadian Securities Administrators (CSA) and other provincial regulators is as a partner, ensuring the compliant implementation of National Instruments.

National Policy 41, National Instrument 54-101 and National Instrument 51-102 have created new obligations and new opportunities for market participants.

1) National Policy 41 Beneficial Securityholder Communications

Policy	Implementation	Intention	Scorecard
National Policy 41 Ensure that non-registered holders have the same access to information and voting rights as registered holders	1987	Equal access to information and voting rights for all holders	✓

Leadership in Data Management

Managed Account Processing

- As brokers introduce offerings to include managed and WRAP accounts, ADP responds...
- ADP data management solutions streamline delivery of materials to brokers and their clients
- Data processing permits granular voting for the broker to ensure that the individual voting requirements are met for each client
- Improves efficiency and convenience
- Ensures compliance
- Improves client satisfaction

Leadership in Data Management

Individual Consolidation

- ADP completed programming in response to requests from brokers
- A securityholder with more than one account with the same brokerage firm will receive only one mailing package containing multiple Voting Instruction Forms per individual security
- Streamlines material delivery at the individual investor level
- For brokerage firms, improved efficiencies and more customized communication with individual account holders to improve investor satisfaction
- Print and postage savings for issuers



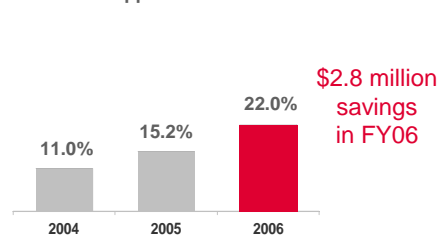
Leadership in Data Management

Proxy Season Statistics

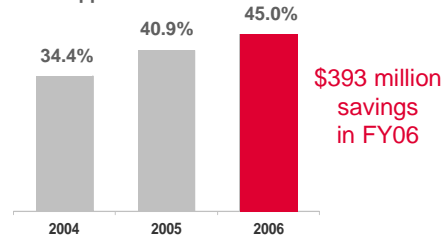
- Increasing Efficiency & Cost Effectiveness for Issuers
- Delivering Investor Satisfaction for Intermediaries

Suppressions as a Percentage of Records

Canadian Suppressions



U.S. Suppressions

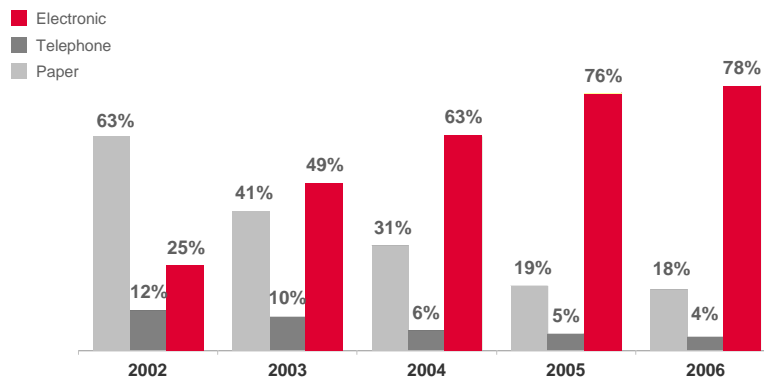


2) National Instrument 51-102 Reporting Issuer Disclosure Obligations

Rule	Implementation	Intention	Scorecard
National Instrument 51-102 Nationally harmonized set of continuous disclosure requirements	March 30, 2004	Reduce filing timeframes Increased reporting Investors' opt to receive materials	

Securityholders Embrace E-Voting

In 2006, 82% of all votes were returned electronically

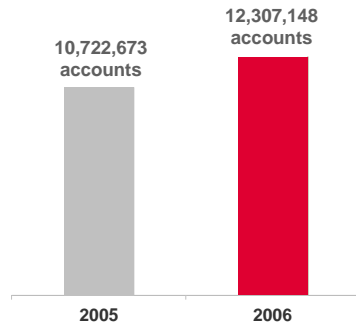


Canadian Proxy Vote Return Analysis by Channel

Public companies with => 2,000 securityholders

E-Delivery Surges in U.S.

Number of Securityholders Participating in Internet Delivery



↑
14.8%

19.6 million packages delivered via Internet in 2006 by ADP



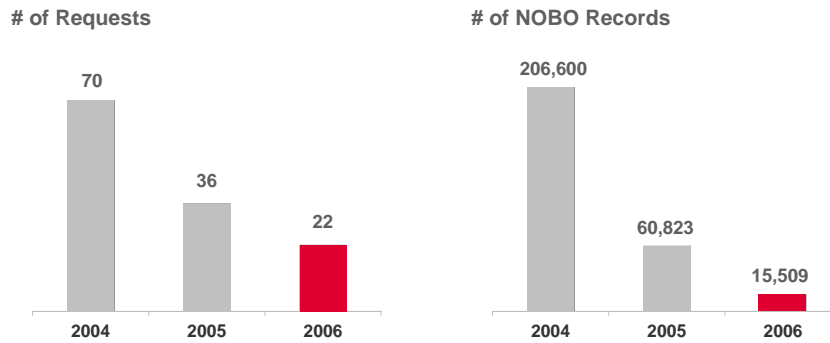
3) National Instrument 54-101 Communication with Beneficial Holders

Rule	Implementation	Intention	Scorecard
NI 54-101: Phase I Issuers permitted to acquire NOBO Lists for Non-Proxy mailing purposes Issuer choice to elect not to pay for distribution to OBOs	Sept. 1, 2002	Access to Securityholders Equitable treatment of holders Improved corporate governance Efficiency & reduced costs	✓ ✓ ✗ Maybe



Requests for NOBO Lists for Non-Proxy Mailing Purposes

Interim Reports Data



Issuers not utilizing NOBO lists for interim mailings

3) National Instrument 54-101 Communication with Beneficial Holders

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NI 54-101: Phase II Issuers want more direct access to beneficial owners for proxy mailings Issuer choice to elect not to pay for distribution to OBOs	Sept. 1, 2004	Access to Securityholders Equitable treatment of holders Improved corporate governance Efficiency & reduced costs	✓ ✗ ✗ Maybe



Different Treatment of Beneficial Owners

- NI 54-101 has resulted in three separate groups of securityholders:
 - Non-Objecting Beneficial Owners (NOBOs)
 - Objecting Beneficial Owners (OBOs) - retail versus institutional
 - Registered Owners
- Small retail securityholders who are OBOs are now disenfranchised as some issuers are not prepared to pay the distribution costs.
- Large issuers continue to pay for mailing to OBOs to ensure good corporate governance practices.
- NOBOs and OBOs are being treated differently. OBOs represent the greater portion of shares; however, less volume and revenue from a mailing perspective.



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NI 54-101: Amendment Intermediaries capture new client instruction re: receiving securityholder materials	Feb. 9, 2005	Access to Securityholders Equitable treatment of holders Improved corporate governance Efficiency & reduced costs	✓ X X X X

Policy / Rule	Implementation	Intention	Scorecard
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National Instrument 51-102 Reduce filing timeframes	March 30, 2004	Reduce filing timeframes	✓
National Policy 41			✓
National Instrument 51-102			✓
National Instrument 54-101			✗
Issuer choice to elect not to pay for distribution to OBOs		Efficiency & reduced costs	Maybe
NI 54-101: Amendment Intermediaries capture new client instruction re: receiving securityholder materials	Feb. 9, 2005	Access to Shareholders Equitable treatment of holders Improved corporate governance Efficiency & reduced costs	✓ ✗ ✗ ✗

NI 54-101: Regulatory Update

- ADP prepared two letters prior to Proxy Season 2006 to identify potential operational issues associated with the implementation of National Instrument 54-101. Submitted letters on January 9 and January 18, 2006.
- Most recently, we were asked by the CSA to prepare a memorandum summarizing the issues and policy concerns associated with the implementation of NI 54-101. Awaiting a response on this memorandum dated July 12, 2006 that dealt with:

NI 54-101: Regulatory Update

Memorandum Overview

- Omnibus Legal Proxies and Use of Management Form of Proxy
- Non-Objecting Beneficial Owners Lists
- Abridgement of Time Periods
- Requests for Selective Beneficial Ownership
- Reconciliation and Vote Tabulation Inequities
- Consolidation and Householding

Looking Ahead: Innovation Continues

ADP's Over Reporting Prevention Service

- In the U.S., ADP ICS launched Over Reporting Prevention Service in March 2004.
- Today, the SIA is encouraging brokers to use ADP's Over Reporting Prevention Service.
- Currently, 282 brokers are making use of this automated service. These brokers together represent over 95% of all street accounts (up from only seven brokers, two years ago).
- It has not been shown that over-reporting has changed the outcome of securityholder meetings. SEC has not received complaints from issuers, only from transfer agents.



Looking Ahead: Innovation Continues

- In Canada, ADP Investor Communications is heading a task force to determine the best way to facilitate the exchange of voting information between transfer agents and financial intermediaries.
- The task force includes representatives from the OSC, the brokerage community and transfer agents.
- Leveraging the ICS service; however, we are required to complete additional programming to support two significant differences (meeting definitions and NOBO/OBO positions) associated with NI 54-101.



In Summary

- Regulatory change has created serious implications in practical implementation of Phase II of NI 54-101.
- We are working with the regulators and market participants to fix what's not working.
- ADP continues to respond to regulatory change through the introduction of innovative solutions that enable efficiency, compliance and best practices.
- We continue to support all market participants through the delivery of equitable communications to securityholders and excellence in corporate governance.



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