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REPORTS FROM KEY INDUSTRY INSTITUTIONS – BROADRIDGE

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President



BroadridgeTM

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

Financial Administrators Section

Annual Conference 2007

Patricia Rosch
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Investor Communication Solutions, Canada
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Broadridge[™]

Agenda

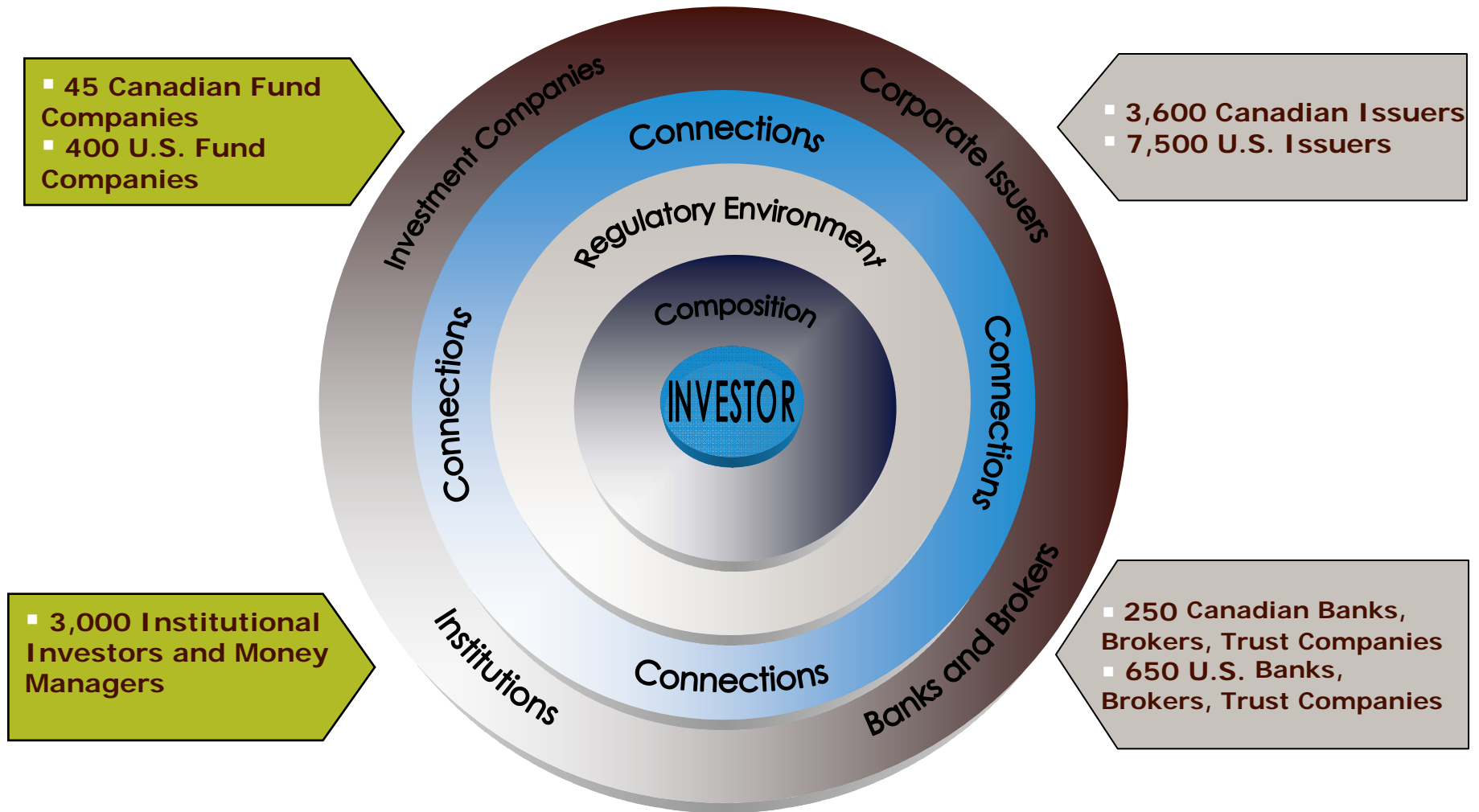
- Broadridge - An Overview
- Regulatory Changes
- Trends and Market Impacts
- Ongoing Opportunities

The Trusted Leader in Securityholder Communications

- Broadridge has been the trusted partner of the global capital markets and its participants since 1987¹
- Our integrated proxy, continuous disclosure and transaction reporting services connect corporate issuers, investment funds, banks and brokerages, institutional and retail investors through the timely, efficient exchange of information
- Broadridge's innovative investor communication solutions comply with securities laws and regulations and set the standard for best practices in strategic investor communications

¹On April 2, 2007, ADP Investor Communications, as part of the Brokerage Services Division, was spun off from Automatic Data Processing, Inc. and became Broadridge Financial Solutions, Inc., an independent, publicly traded company.

Broadridge's Focus: An Investor-Centric Model



Broadridge's History of Innovation in Proxy Communication

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	Increase vote return	Issuers, 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
2002-2004	Application Re-Development to Support NI 54-101	Compliance with regulations	Transfer Agents, Issuers, Intermediaries
2003	ICOnline	Improve issuer service	Issuers
2004	Proxy Disclosure	Enhance corporate governance	Institutional Investors
2004	Interactive Securityholder 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
2007	Over Reporting Prevention Service	Ability to Identify Over reported Positions	Issuers, Intermediaries

Regulatory Change

Regulations

- National Policy 11-201
Electronic Delivery of Documents
- National Instrument 54-101
Communication with Beneficial Owners
- National Instrument 51-102
Continuous Disclosure Obligations
- National Instrument 81-106
Investment Fund Continuous Disclosure
- Proposed Framework 81- 406
Point of Sale Disclosure for Mutual Funds and Segregated Funds
- Notice and Access (U.S.)

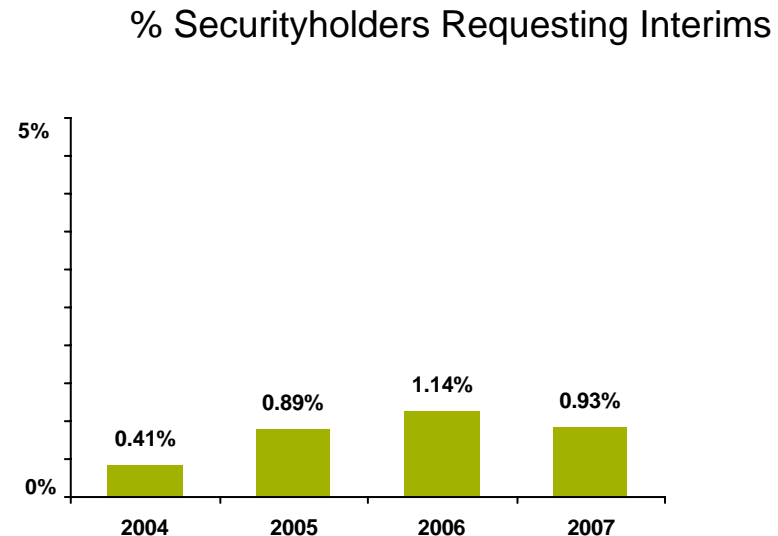
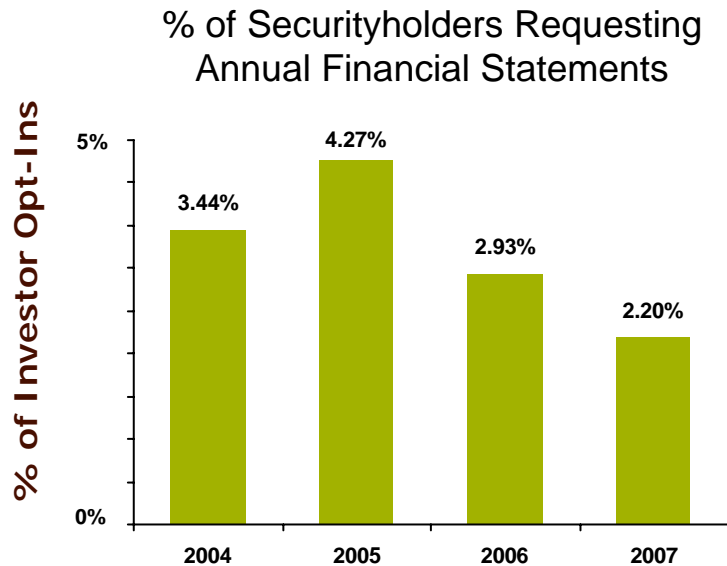
Stated Aims

- Increased transparency and accountability
- Improved corporate governance
- Efficiency and cost reduction
- Equitable treatment of all securityholders, regardless of how securities held
 - Registered
 - Beneficial
- Provide access to beneficial owner information

Market Impact: Efficiency and Cost Reduction

Issuers Benefit from Reduced Printing and Distribution Costs Through the Investor “Opt-In” Model for Continuous Disclosure

- NI 51-102 Opt-In rates continue to decline



National Instrument 81-106 – Opt-In rate has increased as investment fund companies sent “stand alone” consent cards in 2006

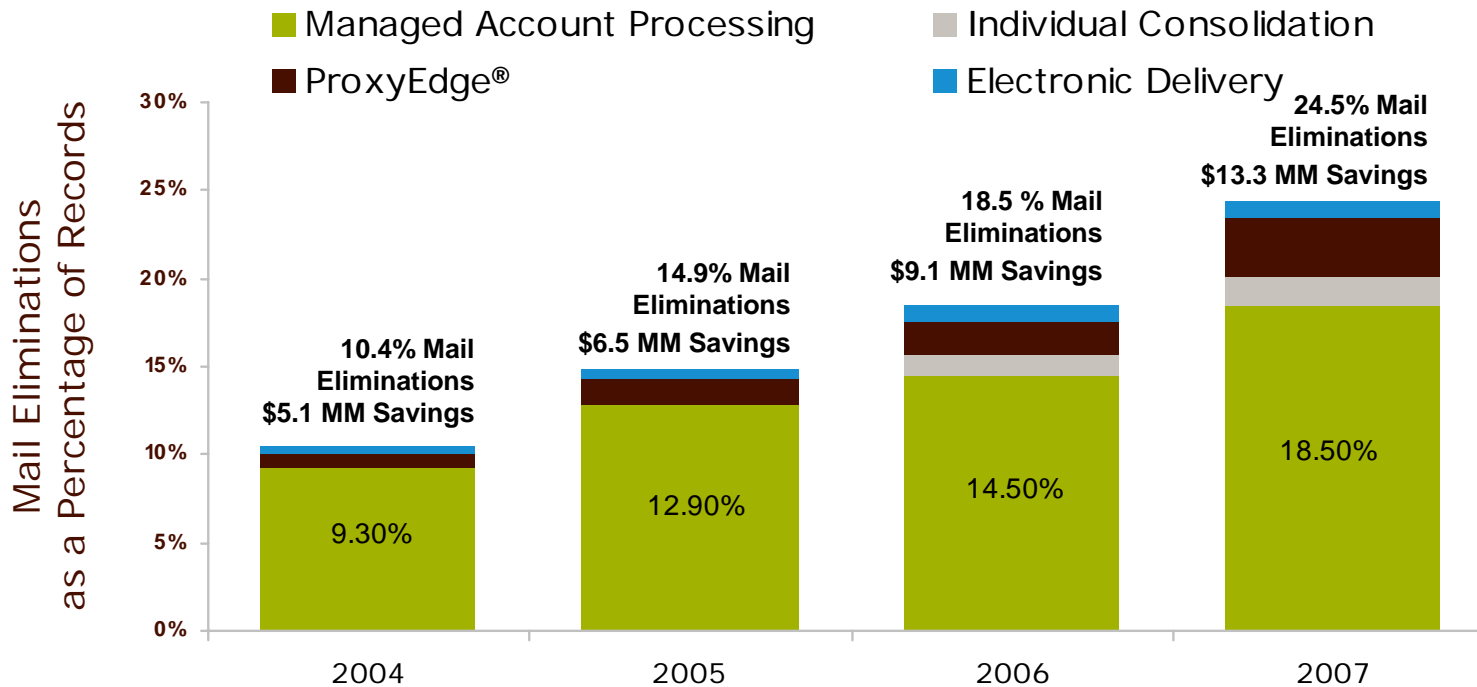
- 2005 Annual Financials – 1.26%
- 2006 Annual Financials – 3.15%

Time period represents Broadridge’s Fiscal Year

Market Impact: Efficiency and Cost Reduction

Issuers, Investors & Intermediaries Benefit from Service Enhancements

- Canadian Issuers have saved over \$34 MM since 2004

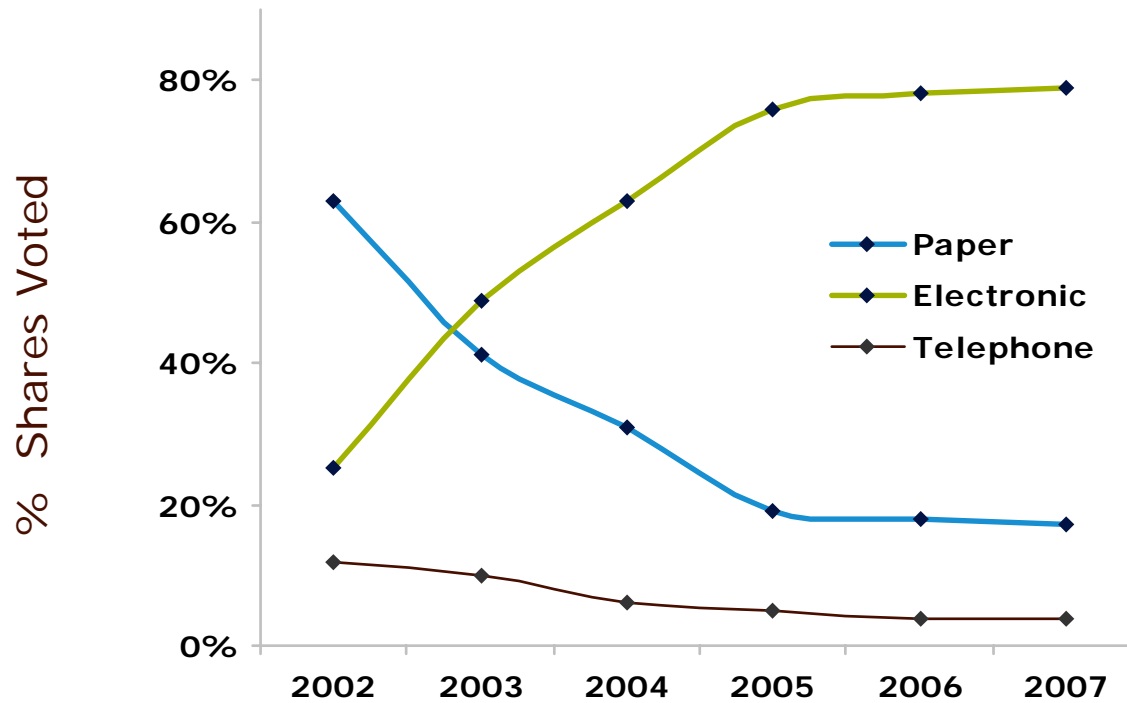


Time period represents Broadridge's Fiscal Year
 Broadridge completed the programming to support Individual Consolidation in 2006

Market Impact: Efficiency and Cost Reduction

Securityholders Embrace E-Voting

- In 2007, 83% of all votes were returned electronically



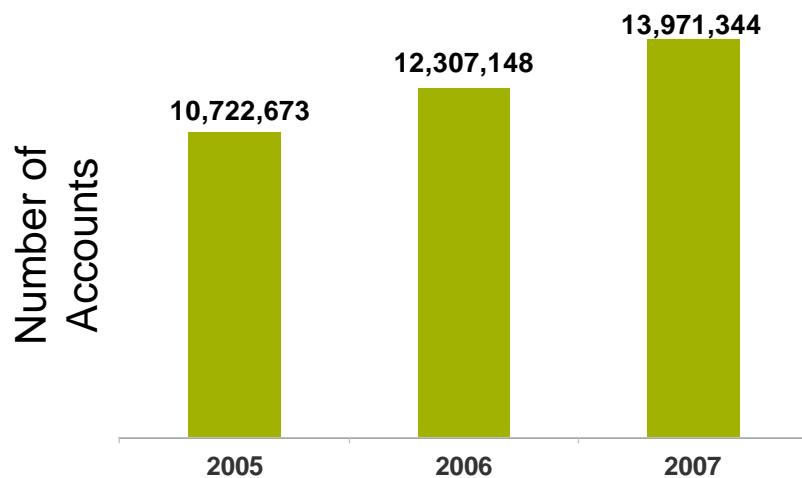
Canadian Proxy Vote Return Analysis by Channel

Time period represents Broadridge's Fiscal Year

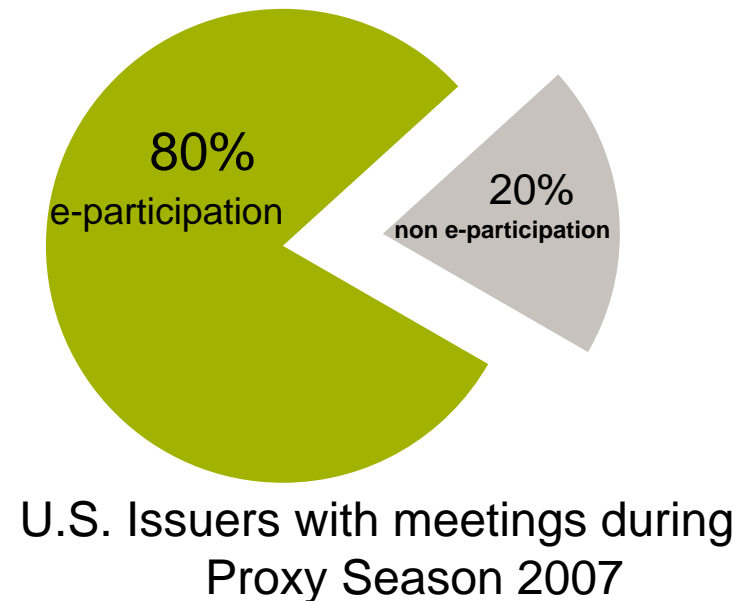
Market Impact: Efficiency and Cost Reduction

Opportunity to Increase E-delivery Participation in Canada

■ Number of U.S. Investors Participating in Internet Delivery



■ Percentage of U.S. Issuers Participating in Internet Delivery



Time period represents Broadridge's Fiscal Year

Market Impact: Different Treatment of Securityholders

NI 54-101 Is Not Accomplishing Its Stated Goals of Equitable Treatment of Holders and Improved Corporate Governance

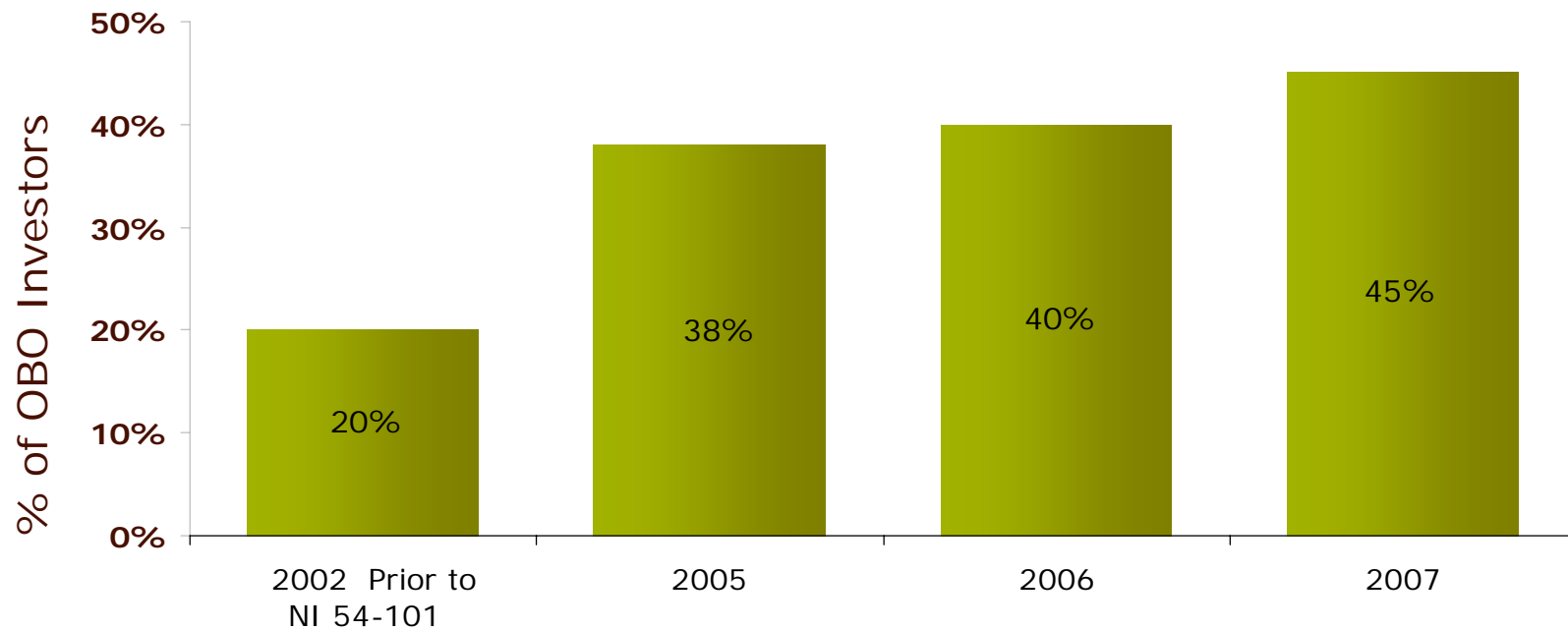
Based on data processed through Broadridge, the following trends are observed:

- Growing number of securityholders are now Objecting Beneficial Owners (OBOs)
- Increasing number of shares/units are held by OBOs
- Increasing number of Issuers are refusing to pay for proxy distribution to OBOs
- Increasing number of institutional and retail investors not getting proxy materials
- Non-Objecting Beneficial Owners (NOBOs) and OBOs are being treated differently regarding their voting rights
- Issuers are being encouraged to:
 - Use a different process in soliciting proxies from NOBOs (Omnibus Legal Proxy)
 - Treat NOBOs who arrive at meeting differently from OBOs
 - Reconcile share positions differently when tabulating votes

Market Impact: Different Treatment of Securityholders

Growing Number of Securityholders are Choosing to be OBOs

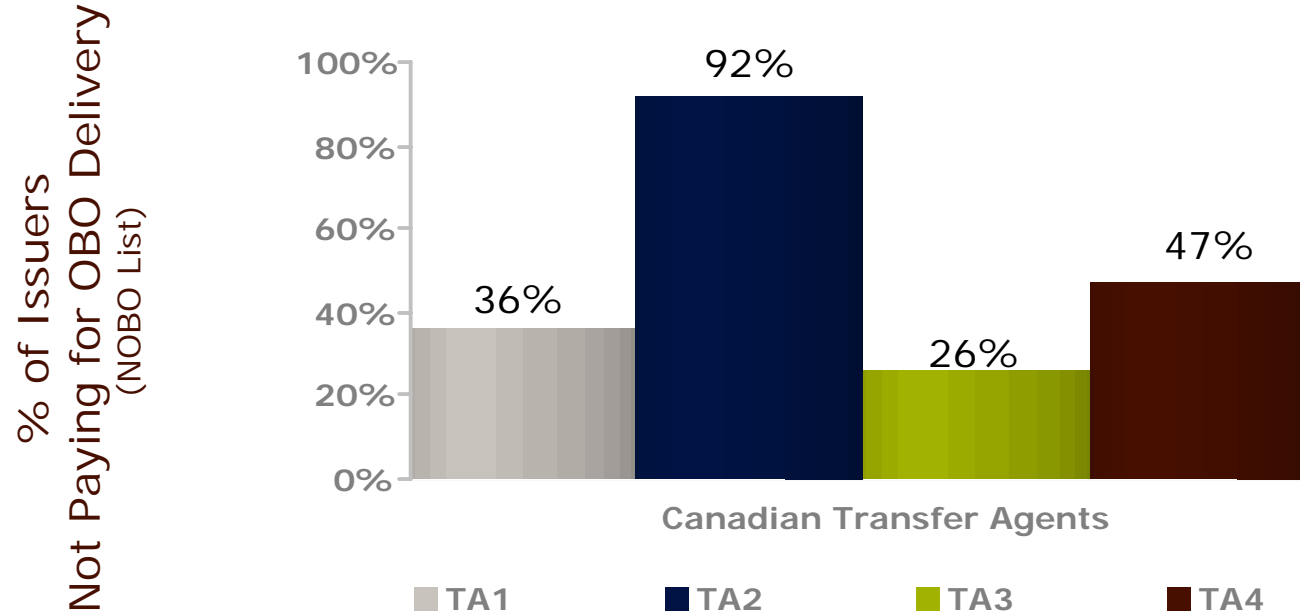
■ 125% Increase in number of OBOs (2002 - 2007)



Time period represents Broadridge's Fiscal Year

Market Impact: Different Treatment of Securityholders

Number of Issuers Not Paying for Delivery of Proxy Material to OBOs



Market Impact: Different Treatment of Securityholders

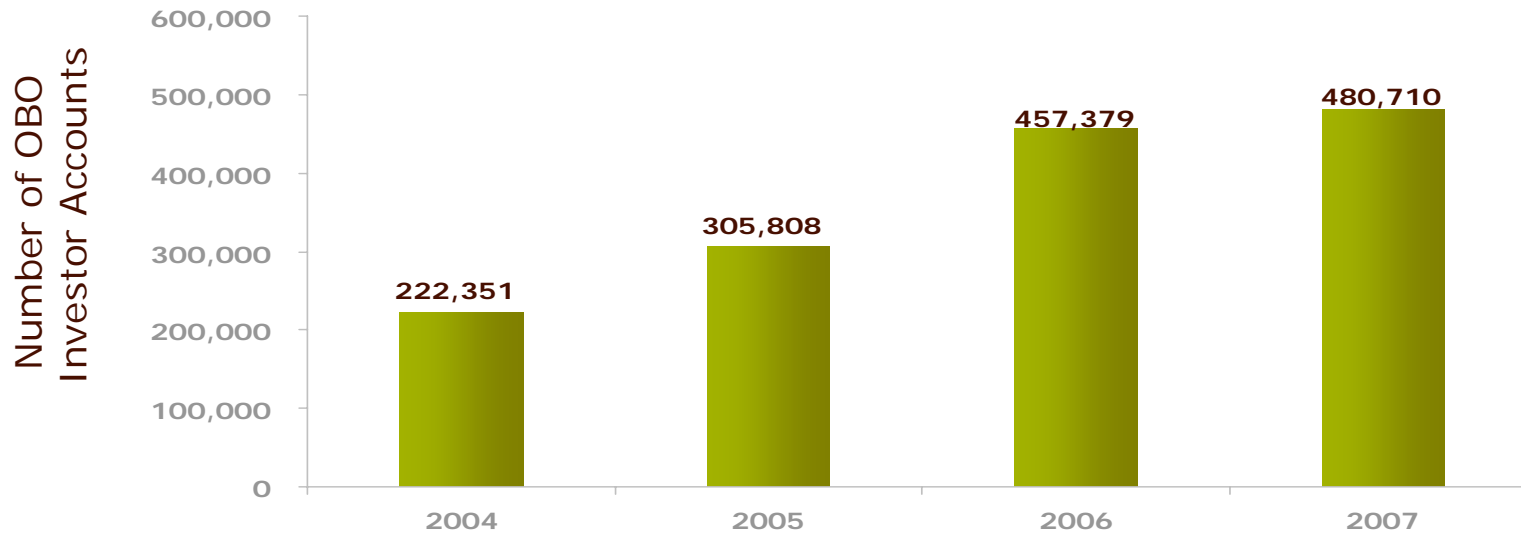
Increasing Number of Issuers of All Sizes are Not Paying for OBOs
when a NOBO List is Taken

- 240% Increase in the number of issuers not paying for distribution to OBO's

Issuer Range Based on Holders	2005				2006				2007			
	Pay		Not Pay		Pay		Not Pay		Pay		Not Pay	
0-999	162	47%	184	53%	343	44%	434	56%	254	38%	418	62%
1,000-4,999	80	89%	10	11%	91	74%	32	26%	263	55%	218	45%
5,000-19,999	27	100%	0	0%	28	97%	1	3%	76	78%	22	22%
20,000-39,999	3	100%	0	0%	4	80%	1	20%	9	82%	2	18%
40,000 +	1	100%	0	0%	2	100%	0	0%	7	100%	0	0%

Market Impact: Different Treatment of Securityholders

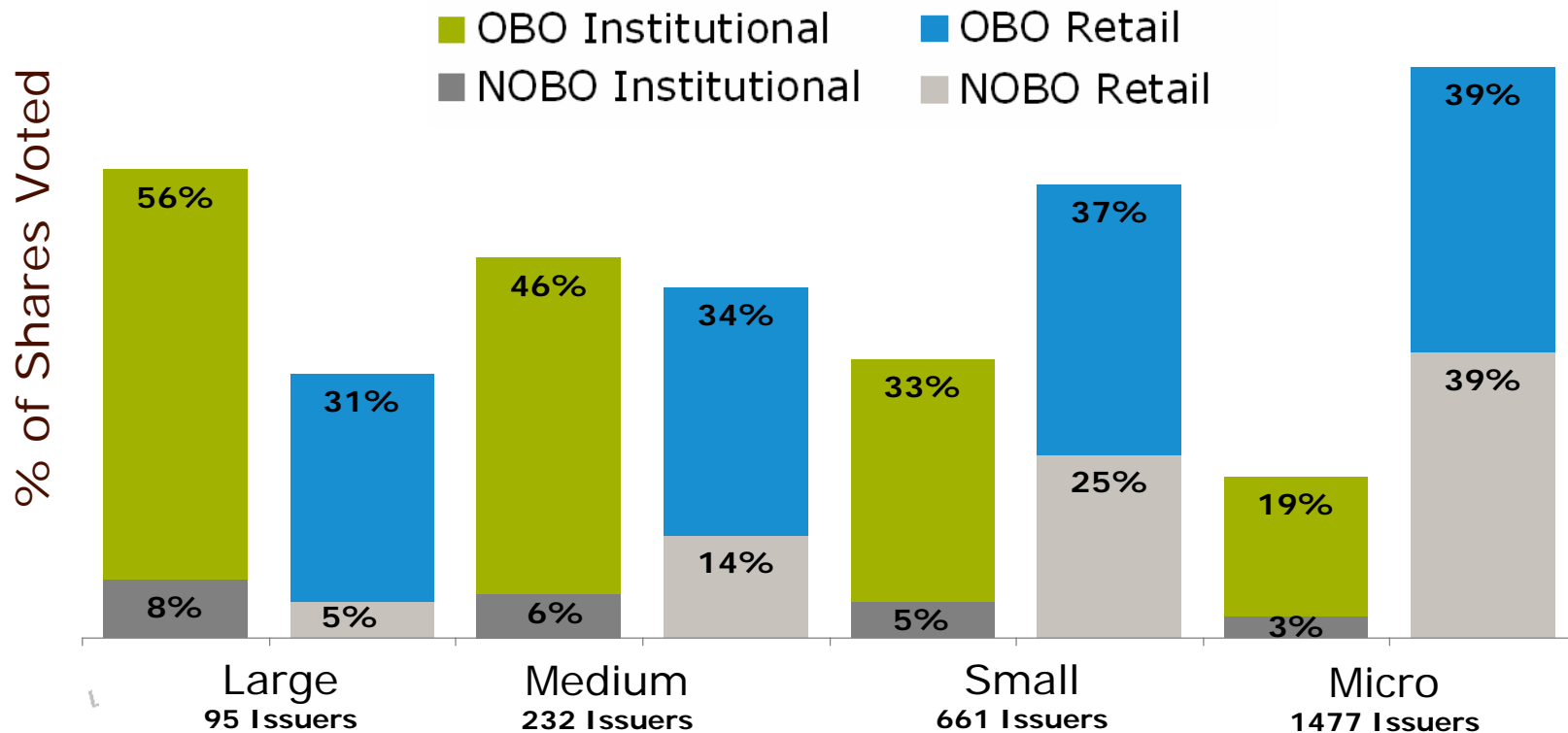
Increasing Number of OBOs Are Not Receiving Proxy Materials and Right to Vote



Time period represents Broadridge's Fiscal Year

Market Impact: Different Treatment of Securityholders

Retail and Institutional Investors are Denied the Right to Vote When Issuers Do Not Deliver to OBOs



Time period represents Broadridge's 2007 Fiscal Year

Ongoing Opportunities

- Continue to develop the “**investor choice model**” without compromising investors’ right to receive materials, infringe on their voting rights and attend meetings
- All market participants must be challenged to continue to develop systems to increase investor participation, increase speed of delivery of vote, and ensure the integrity of the voting process (e.g. householding and e-delivery in Canada)
- Opportunity for market participants to work together with the regulators to ensure all investors are being treated equitably
 - **Good corporate governance should not be sacrificed for short term cost savings**
 - **Cost savings should not be achieved at the expense of full transparency and accountability**

Ongoing Opportunities - Proposed Framework 81- 406

Proposed Framework 81- 406

Point of Sale Disclosure for Mutual Funds and Segregated Funds

The proposed framework is based on three principles to provide investors with:

- Key information about a fund
- A simple, accessible and comparable format
- Information before investors make their decision to buy

Ongoing Opportunities - Proposed Framework 81- 406

Broadridge's Point of Sale Solution

- POS solution for Brokers/Dealers:
 - Document Management
 - SEDAR scribe – Document database (Fund Facts Library)
 - Search and retrieval via the web interface
 - Automated fulfillment – support for delivery by hand, fax, mail, or electronically
 - Investor delivery history and audit reports

Ongoing Opportunities - Notice and Access

- The new SEC Notice & Access or “e-proxy” rule (The Rule) gives U.S. issuers new choices
- The Rule’s intent is to provide U.S. issuers with the opportunity to leverage technology and reduce the costs associated with the shareowner meeting process
- U.S. issuers can mail a *Notice of Internet Availability of Proxy Materials* to shareowners instead of a traditional proxy package, directing them to a website to Access the material over the Internet and vote their shares
- Significant savings can result from lower printing and postage costs
- The Rule is expected to improve the quantity and quality of material available to shareowners and facilitate more effective communications

Ongoing Opportunities - Notice and Access

Intermediaries cannot decide to utilize Notice and Access on their own, but must follow the Notice and Access Rule when an U.S. issuer chooses so

- Intermediaries must prepare their own Notice for distribution to beneficial owners
- The Notice must include:
 - A toll-free telephone number, an e-mail address, and an Internet website address where shareowners can request copies of the proxy materials
 - Any control/identification numbers the shareowner will need to access their voting card
 - Instructions on how to access the voting card, provided that such instructions do not enable a shareowner to execute a vote without having access to the proxy statement and annual report
 - Information on how to obtain directions to be able to attend the meeting and vote in person
 - Instructions on how a beneficial owner can request a copy of the proxy materials from the intermediary, rather than from the issuer
 - A prominent legend that advises shareowners of the date, time and location of the meeting
- Intermediaries may direct shareowners to view material either to the issuer's website or their own

In Conclusion

Broadridge is proactively engaging with regulators and market participants to ensure efficiency, compliance and best practices in support of your business and in accordance with the stated aims of new regulatory obligations.