

CSA Staff Notice 54-303

Appendix D

Glossary¹

<u>Term</u>	<u>Meaning</u>
Beneficial owner	An investor who is not a registered holder of shares, and whose ownership is through a securities entitlement in an intermediary account.
Broadridge	Refers to Broadridge Investor Communication Solutions, Canada, a subsidiary of Broadridge Financial Solutions, Inc. It is a service provider that assists intermediaries in various aspects of proxy voting, including solicitation of voting instructions from beneficial owners and submitting proxy votes on behalf of intermediaries to tabulators.
Broadridge-Calculated Vote Entitlement	For an intermediary that subscribes to the Over-Reporting Prevention Service, the vote entitlement of the intermediary as calculated by Broadridge that is intended to be an indicator of the Official Vote Entitlement. It is calculated using the depository data feeds and data in its system provided by intermediaries that is used to generate intermediary omnibus proxies and, if applicable, NOBO omnibus proxies. See vote entitlement.
Broadridge client number	A numeric identifier assigned by Broadridge to its intermediary clients. See intermediary identifier.
Canadian Securities Lending Association (CASLA)	A securities lending association in Canada.
CDS	Refers to the Canadian Depository for Securities Limited and its subsidiaries, including CDS Clearing and Depository Services Inc. CDS Clearing and Depository Services Inc. is the national securities depository in Canada. See also depository.
CDS omnibus proxy	The omnibus proxy CDS uses to allocate vote entitlements/give voting authority to client intermediaries that are CDS participants. See also depository omnibus proxy.
Clearing broker	A broker that is principal for clearing and settling a trade on behalf of another intermediary. See intermediary.

¹ This glossary contains operational, rather than legal, definitions.

<u>Term</u>	<u>Meaning</u>
Client account vote reconciliation	The process by which intermediaries reconcile and allocate vote entitlements to individual client accounts. Client account vote reconciliation involves the internal back-office systems of intermediaries and how they track and allocate vote entitlements for individual client accounts. See vote reconciliation.
CUID	Stands for customer unit identifier. A four letter identifying code system assigned by CDS to institutions that clear and settle securities trades through CDS. The first three characters identify the company and the last character the unit within the company. See intermediary identifier.
CUSIP	Stands for Committee on Uniform Securities Identification Procedures. A nine digit identifier assigned to securities of issuers in the U.S. and Canada. The CUSIP system is owned by the American Bankers Association and operated by Standard & Poor's to facilitate the clearing and settlement process of securities. See intermediary identifier.
Custodian	A financial institutional that holds securities for another person or entity. Custodians in Canada also administer securities lending programs and act as agents for lenders which are typically large institutional investors. See intermediary.
Depository	In connection with clearing and settlement, an entity that takes custody of security certificates or maintains electronic records of securities holdings for participant financial institutions.
Depository omnibus proxy	The omnibus proxy depositories use to allocate vote entitlements/give voting authority to client intermediaries that are depository participants. See also omnibus proxy.
Depository participant	A person or company for whom a depository maintains an account in which entries may be made to effect a transfer or pledge of a security.
Double or multiple voting	A situation in the client account vote reconciliation process where more than one entity is allowed or not prevented from voting the same share. Possible double or multiple voting occurs when more than one entity may vote or is not prevented from voting the same share. Actual double or multiple voting occurs when two or more entities actually vote the same share.
DTC	Stands for Depository Trust Company, a subsidiary of Depository Trust and Clearing Corporation. It is the national securities depository in the United States. See depository.
DTC number	A numeric identifier assigned by DTC to its listed issuers. See intermediary identifier.
DTC omnibus proxy	The omnibus proxy DTC uses to allocate vote entitlements/give voting authority to

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	client intermediaries that are DTC participants. See also depository omnibus proxy.
End-to-end vote confirmation	A communication to shareholders that allows them to confirm that their proxy votes and voting instructions have been properly transmitted by the intermediaries, received by the tabulator and tabulated as instructed.
FINS number	Stands for Financial Institutional Numbering System. A numeric identifier assigned by DTC to each bank, broker-dealer, insurance company, mutual fund, money manager, transfer agent and other institution engaged in securities processing. See intermediary identifier.
Form of proxy	A document by which a security holder or other person with authority to vote appoints a person or company as the security holder's nominee to attend and act for and on the security holder's behalf at a meeting of security holders.
Formal vote report	A form or proxy generated by Broadridge that reflects the voting instructions received from investors, aggregated by intermediary.
Institutional lending program	Securities lending program administered by custodians who act as agents for lenders. The lenders are custodial-services clients and are typically large institutional investors such as pension funds, mutual funds, endowment funds and insurance companies. These lenders are paid fees for participation in these securities lending programs and treat securities lending as a source of revenue. See securities lending.
Intermediary	A person or company that, in connection with its business, holds security on behalf of another person or company.
Intermediary identifier	For purposes of the Progress Report, a numeric identifier assigned by depositories, Broadridge or other entities to identify intermediaries. They include CUIDs, FINS numbers, DTC numbers and Broadridge client numbers.
Intermediary omnibus proxy	An omnibus proxy custodians and investment dealers use to allocate vote entitlements/give voting authority to client intermediaries. Also known as supplemental omnibus proxy or mini omnibus proxy. See also omnibus proxy.
Intermediated holding system	A system of holding securities in which a central securities depository will take custody of security certificates or maintain electronic records of securities holdings and maintain accounts for the participant financial institutions, and the participant financial institutions in turn maintain accounts for their clients, who can be investors or other intermediaries.
Investment dealer	A person or company registered under securities law to trade securities for its own account or on behalf of its clients. See also intermediary.

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Investment Industry Association of Canada (IIAC)	An association of investment dealers in Canada.
Issuer	A person or company who has outstanding securities, issues or proposes to issue, a security.
Managed account	An investment account that is owned by an individual investor, but managed by a professional investment manager with voting authority.
Margin account	An account that an investor has with its investment dealer that allows the investor to trade securities on margin, i.e. with money borrowed from the investment dealer. See securities lending.
Meeting vote reconciliation	<p>The process by which meeting tabulators reconcile proxy votes to intermediary vote entitlements. Meeting vote reconciliation involves the systems and process that link depositories, intermediaries and meeting tabulators with one another in order for the following three things to occur:</p> <ol style="list-style-type: none"> 1. Depositories and intermediaries provide vote entitlement information to meeting tabulators through omnibus proxies, 2. Meeting tabulators establish Official Vote Entitlements for intermediaries, and 3. Meeting tabulators reconcile intermediary proxy votes to the Official Vote Entitlements. <p>See vote reconciliation.</p>
NOBO	Stands for non-objecting beneficial owner. A beneficial owner of shares in the intermediated holding system who does not object to disclosure of his or her name, contact information and securities holdings.
NOBO list	For purposes of a direct NOBO solicitation by an issuer, a document generated by an intermediary or an intermediary service provider (in practice, Broadridge) that contains information regarding NOBOs.
NOBO omnibus proxy	For purposes of a direct NOBO solicitation by an issuer, an omnibus proxy an intermediary uses to allocate vote entitlements to management of a reporting issuer to give management authority to vote the number of shares that are in the intermediary's NOBO client accounts. See omnibus proxy.
NOBO solicitation	The sending of materials directly to, and solicitation of voting instructions from, NOBOs by the issuer.
OBO	Stands for objecting beneficial owner. A beneficial owner of shares in the

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	intermediated holding system who objects to the intermediary disclosing his or her name, contact information and securities holdings.
OBO-NOBO concept	A feature of the proxy voting infrastructure in Canada describing the right of investors to choose whether to disclose their identities to issuers and others.
Official Vote Entitlement	The vote entitlements of an intermediary as determined by the meeting tabulator based on the depository omnibus proxies and intermediary omnibus proxies received. Where an issuer chooses to do a NOBO solicitation, intermediaries (in practice, through their service provider Broadridge) will also send the meeting tabulator a NOBO omnibus proxy that the tabulator will use to establish the Official Vote Entitlement for NOBOs. See also vote entitlement.
Omnibus proxy	A proxy used by the depository or intermediary who is the registered holder or who itself holds a proxy to give its clients authority to vote the number of shares in the client's account as at the record date. The two main types of omnibus proxies used in Canada are the depository omnibus proxies and intermediary omnibus proxies.
Over-reporting	For an intermediary, a discrepancy between the intermediary-calculated vote entitlement (for an intermediary that subscribes to the Broadridge Over-Reporting Prevention Service, the Broadridge-Calculated Vote Entitlement) and the Official Vote Entitlement as calculated by the tabulator based on supporting documentation where the intermediary-calculated vote entitlement exceeds the Official Vote Entitlement.
Over-Reporting Prevention Service	A tool offered by Broadridge to its subscribing intermediary clients to manage the risk of over-reporting and over-voting. For subscribing intermediaries, Broadridge generates a Broadridge-Calculated Vote Entitlement to assist them with managing the risk of over-reporting and pends voting instructions for an intermediary that in the aggregate exceed the Broadridge-Calculated Vote Entitlement for that intermediary to assist them with managing the risk of over-voting.
Over-voting	A situation where meeting tabulators receive proxy votes from intermediaries that exceed the Official Vote Entitlement that the meeting tabulator has calculated for that intermediary based on supporting documentation.
Proxy advisor	A service provider that assists institutional investors in various aspects of proxy voting, including reviewing and analyzing the matters (either issuer or shareholder proposals) put for a vote at a shareholders' meeting, making a vote recommendation to its clients and assisting with administrative tasks associated with keeping track of the large number of voting decisions.
Proxy solicitor	A service provider that assists with the solicitation of proxies by identifying and contacting investors and encouraging them to vote their shares in favour of the

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	party soliciting the proxies.
Proxy vote	An executed form of proxy submitted to the meeting tabulator that contains voting instructions from registered holders or beneficial owners. See formal vote report.
Proxy voting infrastructure	The network of organizations, systems, legal rules and market practices that support the solicitation, collection, submission and tabulation of proxy votes for a shareholder meeting.
Record date	For a meeting, the date, if any, established in accordance with corporate law for the determination of the registered holders of securities that are entitled to vote at the meeting.
Registered holder	The person or company shown as the holder of the security on the books and records of the reporting issuer.
Registered holder proxy	A form of proxy used by registered holder to submit proxy votes to the meeting tabulator.
Report of voting results	A report that is required to be filed under securities law by non-venture issuer to disclose voting results.
Reporting issuer	An issuer with publicly traded securities. See issuer.
Restricted proxy	A form of proxy used by an intermediary to directly submit proxy votes to the meeting tabulator on behalf of a client for whom it holds shares. See form of proxy.
Securities entitlement	A right of an investor in shares he or she purchased and held in intermediary accounts in the intermediated holding system that is equivalent to, but not actually, a direct property right in the security. The entitlement holder's interest is asserted against the entitlement holder's own immediate intermediary, e.g. a client against the dealer with whom the client has an account, or the dealer against the clearing agency/depository.
Securities lending	The market practice whereby shares are temporarily transferred from one party (the lender) to another party (the borrower) in return for a fee. It involves a transfer of title of the shares against a collateralized undertaking to return equivalent shares either on demand or at the end of an agreed term. The "borrower" is the new owner of the shares, and is entitled to vote the shares, receive any dividend or interest payments paid during the loan term or sell the shares (e.g. to satisfy a short sale). However, the borrower is generally contractually required to make equivalent payments to the "lender" for any dividend and interest payments on the securities over the life of the loan;

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	therefore the lender still “owns” or is “long” the share in economic terms.
Securities Transfer Association of Canada (STAC)	An association of Canadian transfer agents.
Segregation Hierarchy	A logic used by investment dealers to determine which margin account assets to use as margin collateral. It looks to margin account assets in the following order: <ul style="list-style-type: none"> • Cash or cash equivalents, • Fixed income securities, and • Equity securities.
Tabulator	The entity designated by an issuer to review the proxy votes it receives and assess whether these are valid votes that should be counted for the meeting. In Canada, the transfer agent of the issuer usually acts as the meeting tabulator.
Transfer agent	A trust company appointed by a corporation to transfer ownership of its shares. In the majority of instances, the trust company in its capacity as transfer agent maintains the shareholder register and provides other related services. Transfer agents in Canada generally belong to the Securities Transfer Association of Canada.
U.S. End-to-End Confirmation Pilot	A pilot project developed by participants in the proxy voting infrastructure in the U.S. that established an electronic communication tool for meeting tabulators and intermediaries to confirm intermediary vote entitlements for meetings and confirm that an intermediary’s proxy votes had been accepted.
Vote entitlement	The number of shares over which a security holder or other person with authority to vote has voting authority.
Vote reconciliation	The process by which proxy votes from registered holders and voting instructions from beneficial owners are reconciled against the securities entitlements in the intermediated holding system. The Progress Report identified two distinct aspects of vote reconciliation: client account vote reconciliation and meeting vote reconciliation.
Voting Instruction Form (VIF)	A document by which beneficial owners provide voting instructions to intermediaries. Where the issuer chooses to conduct a NOBO solicitation, a document by which NOBOs provide voting instruction to management of the issuer.