

**NYSE Changes to Annual Report Distribution Requirements**  
(Changes approved by the SEC on August 21, 2006)

**NYSE Listed Companies that are Foreign Private Issuers<sup>1</sup>** - Likely to include most Canadian companies interlisted on the NYSE

	<b>Former Requirements</b>	<b>Current Requirements</b>
<b>NYSE Rules</b>	Paper copies of annual reports containing annual financial statements prepared as required by NYSE and SEC rules to be sent to all shareholders at expense of listed company.	Automatic physical distribution replaced with obligations to: <ul style="list-style-type: none"> <li>• Make annual report available on or through the company's website at the same time as filed with SEC</li> <li>• Include clear statement in English on website that any shareholder (including preferred stockholders and bondholders) entitled to receive paper copy of complete audited financial statements free of charge</li> <li>• Issue press release at same time as web posting stating annual report has been filed with SEC, include website reference and repeat statement regarding right to receive paper copy of the financials (as on website)</li> </ul>
<b>SEC Rules</b>	Foreign Private Issuers exempt from provisions of Securities and Exchange Act of 1934 (1934 Act) requiring sending of proxies to shareholders.  FPIs required to prepare (and file with the SEC) annual reports including audited annual financial statements – prepared using or reconciled to US GAAP	No change

Net: Foreign Private Issuers listed on NYSE **no longer have to distribute paper copies** of their annual financial statements to all securityholders in the US. They are required to post the annual material on their websites, issue the requisite press release and deliver paper copies to any securityholder within a reasonable time after the request and at the issuer's cost.

**NYSE Listed Companies other than Foreign Private Issuers** - Mostly US domestic issuers

	<b>Former Requirements</b>	<b>Current Requirements</b>
<b>NYSE Rules</b>	Paper copies of annual reports containing annual financial statements prepared as required by NYSE and SEC rules to be sent to all shareholders at expense of listed company.	Automatic physical distribution replaced with obligations to: <ul style="list-style-type: none"> <li>• Make annual report available on or through the company's website at the same time as filed with SEC</li> <li>• Include clear statement in English on website that any shareholder (including preferred stockholders and bondholders) entitled to receive paper copy</li> </ul>

<sup>1</sup> Rule 3b-4: The term foreign private issuer means any foreign issuer other than a foreign government except an issuer meeting the following conditions:

- More than 50 percent of the issuer's outstanding voting securities are directly or indirectly held of record by residents of the United States; and

Any of the following:

- The majority of the executive officers or directors are United States citizens or residents;
- More than 50 percent of the assets of the issuer are located in the United States; or
- The business of the issuer is administered principally in the United States.

	<b>Former Requirements</b>	<b>Current Requirements</b>
		<p>of complete audited financial statements free of charge</p> <p>Issue press release at same time as web posting stating annual report has been filed with SEC, include website reference and repeat statement regarding right to receive paper copy of the financials (as on website)</p>
<b>SEC Rules</b>	<p>1934 Act and related proxy rules require physical distribution of annual report (which is to contain annual audited financial statements) to registered and beneficial securityholders as part of proxy materials.</p> <p>Annual reports and annual audited financial statements must be prepared and filed with SEC</p>	No change

Net: US domestic issuers must continue to distribute paper copies of annual reports containing annual financial statements to registered and beneficial securityholders under SEC rules.

**The obligations of both classes of issuers to prepare and file annual reports and annual financial statements with the SEC on EDGAR are unaffected by the NYSE changes.**

Other amendments eliminated NYSE requirements:

- For notice from the company to the NYSE prior to the filing deadline if it will not file its annual report and if there may be a delay in issuing its annual financial statements
- Regarding the content of annual reports and annual financial statements that duplicated and were potentially confusing with the 34 Act form and rules regarding company disclosure
- Regarding disclosure of options, stock purchase and other remuneration plans that duplicated and were potentially confusing the SEC requirements

The amendments also:

- Consolidated and summarized the reporting requirements for interim financial statements:
  - If a company is required to file interim financial statements with the SEC it must issue an interim earnings release as soon as interim financial statements are available
  - Listed companies that distribute interim reports to shareholders should “as a matter of fairness” distribute such reports to both registered and beneficial holders
- Clarified the limited circumstances when a listed company must file hard copies of SEC filings with the NYSE
- Streamlined when a listed company must provide written notice to the NYSE of certain events
- Required that listed companies maintain a website that is accessible from the United States and specifying certain corporate governance matters that must be posted:
  - Most listed US domestic companies must post printable versions of committee charters (compensation, nominating and audit), corporate governance guidelines, and codes of conduct and ethics
  - Listed foreign private issuers must post on their websites (in English) disclosure of any significant ways in which their corporate governance practices differ from those followed by domestic companies under NYSE listing standards
- Eliminated the guidance that said a listed company's its annual meeting of shareholders should take place within a reasonable period of time after its year-end. The guidance was eliminated because it probably was unenforceable, but both SEC and the NYSE noted that best practice still requires the meeting to take place within a reasonable period after the fiscal year-end.