

ADP-Investor Communication Services in The Netherlands

Background

ADP (Automatic Data Processing, Inc) - is the parent company. It is an NYSE listed, S&P 500 company with 40,000 employees and approximately \$7 billion p.a. revenue (Yr 01/02 figures).

It is split into 4 main divisions -

- Employer Services (outsourced HR, payroll and benefits administration)
- Brokerage Services (includes Investor Communication Services)
- Claims Services (outsourced claims management systems on behalf of general and medical insurers)
- Dealer Services (outsourced management systems for the car dealership industry)

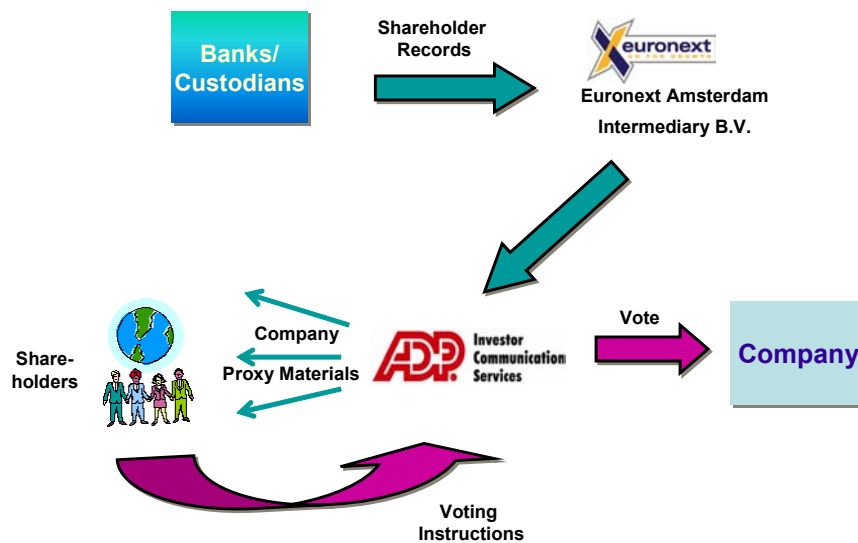
Brokerage Services is the second largest division of ADP and accounts for about 25% of ADP's business. The division includes outsourced securities industry back office software and transaction systems plus investor communication and voting services. Amongst the associate companies which form part of this division are ADP-Wilco Ltd (based in London) who develop, build and implement back office modular software.

ADP Investor Communication Services

ADP-Investor Communication Services products are undertaken by 4 entities based in Long Island US, Toronto Canada and London UK -

- ADP Investor Communication Services (US) - services US 'domestic' market for proxy voting services including shareholder mailing to both beneficial and registered shareholders. Also supports Mutual Fund distribution. Tabulates voting responses received via paper, touch telephone, internet, and ADP's e-tools ProxyEdge and ProxyEdge Lite. 700 million items were delivered in 2002
- ADP Investor Communications (Can) - provides similar services for the Canadian 'domestic' market
- ADP ICS Global (US) - provides institutional investors with an all electronic meeting notification distribution and proxy voting service for their cross border investments in conjunction with their Global Custodians. Service is provided through ADP's e-tools ProxyEdge and ProxyEdge Lite. Received information on 47,000 meetings worldwide, sent notifications representing 252 billion shares and processed vote instructions representing 147 billion shares during 2002
- ADP ICS Europe (UK) - provides UK 'domestic' service for institutional investors, a Dutch retail investors 'domestic' service and a small UK retail investor 'domestic' service. Provides client service support for ADP ICS Global's European and FE clients. From Jan 20th '03, ICSE is a Voting Service Provider within CREST.

ADP ICS Europe - Netherlands Process



The investor communication and voting process, for individual company meetings, in the Netherlands can best be explained by reference to the above diagram

- Position and contact detail records for shareholders, who have consented to participate in the process, are forwarded by each bank to Euronext Amsterdam Intermediary BV ('Euronext').
- Euronext merge all the received information prior to forwarding records to ADP Investor Communication Services
- Meantime, the company has provided ADP-ICS with meeting and agenda proposal information together with sufficient numbers of appropriate company materials, e.g. annual reports.
- On receipt of the shareholder records from the Euronext, ADP-ICS match this information with the company's meeting information, creates a ballot form (or Vote Instruction Form - VIF) and thereafter mail this, together with the company's materials, to the appropriate shareholder according to the records generated by the banks
- The shareholder, if they so wish, mails their vote response on the VIF to ADP-ICS, via a central collection point.
- ADP-ICS tabulate all vote responses received from shareholders prior to forwarding vote totals to the company for presentation at the shareholder meeting

The above process runs to a strict timetable, as suggested by the Shareholders Communication Channel Committee. However, from an ADP-ICS perspective the most important day in the process, for the investor, falls seven calendar days before the meeting date - this day is the record date for the investor's voting entitlement plus it is the last day for the investor to mail and return his vote instruction.