Doc. Ref./Réf. : FMP No. 495

Vice President, General Counsel and Corporate Secretary
Direct Line/Ligne directe : (613) 563-7835

April 5, 2004

VIA COURIER

Alberta Securities Commission
Saskatchewan Securities Commission
Manitoba Securities Commission
Ontario Securities Commission
Nova Scotia Securities Commission
Securities Administration Branch, New Brunswick
Office of the Attorney General, Prince Edward Island
Securities Commission of Newfoundland and Labrador
Registrar of Securities, Government of Yukon
Registrar of Securities, Department of Justice, Government of Northwest Territories
Registrar of Securities, Legal Registries Division, Department of Justice, Government of Nunavut

c/o John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario M5H 3S8

Dear Sirs:

Re: Multilateral Policies 58-201 and 58-101

As requested in your Request for Comment dated January 16, 2004, we write to provide comments on proposed Multilateral Policies 58-201- Effective Corporate Governance and 58-101 - Disclosure of Corporate Governance Practices. In particular, we write to state our concerns over the express conflict between the stated policy of preferring that the Chair of an issuer be independent (with which we agree) and the language of the proposed instrument which deems a Chair to not be independent.

Multilateral Policy 58-201 recommends as a best practice that the Chair of an issuer be an independent director. We agree that this is best practice and we agree that it should be adopted by issuers as suggested. Unfortunately, the drafting of Multilateral Policy 58-201 defines the Chair as not being independent. Specifically, subsection 1.2(3) of Multilateral Policy 58-201 provides that an individual described in subsection 1.4(3) of Multilateral Policy 52-110 is considered to have a material relationship with the issuer -- "material relationship" being the test of whether a director is independent. Subsection 1.4(3) of that Policy defines "executive officers" as having a "material relationship" and defines "executive officer" as including the Chair of the issuer. There is, therefore, a clear contradiction between the proposed policy and the drafting of the proposed Instrument.

As a solution, we would recommend that the Chair only be seen as lacking independence if he or she receives remuneration of any kind from the issuer for some reason other than arising from service in his or her capacity as a director or officer, similar to the exception found for other directors, including Vice-Chair, in subsection 1.4(3)(f)(i) of Multilateral Policy 52-110. This would permit the wording of the proposed Instrument to match the very laudable policy of recognizing that the independence of the Chair of an issuer's Board of Directors is to be promoted as a best practice in corporate governance.

Sincerely,

Neil R. Wilson

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