Gilbert S. Bennett
Chairman of the Board

April 7, 2004

Mr. John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, On M5H 3S8

Dear Mr. Stevenson:

This letter is written in response to the request for comments on Proposed Multilateral Policy 58-201 Effective Corporate Governance (the "Policy") and Proposed Multilateral Instrument 58-101 Disclosure of Corporate Governance Practices (the "Instrument").

I want to make clear at the outset that, although I am the Chairman of the Board of Canadian Tire Corporation, Limited, the comments which follow reflect my personal views. Those personal views may or may not be consistent with the views of the board of directors or management of Canadian Tire. As well, the board of directors and/management of Canadian Tire may or may not choose to provide their own comments on the Policy and the Instrument.

I applaud the governance initiatives reflected in the Policy and the Instrument. The comments which follow and which are relatively minor are in no way intended to suggest any dissatisfaction with the overall thrust of the Policy and the Instrument.

1. Independent Director as Chair

   Your Request for Comments cites as best practice the appointing of a chair of the board who is an independent director. The Instrument requires disclosure of whether or not the chair of the board of an issuer is an independent director. It appears to me, however, that the definition of "independent" contained in the Instrument (and, by reference, in Multilateral Instrument 52-110 Audit Committees) specifically provides that the chair of an issuer has a material relationship with the issuer, with the result that the chair is not

independent (see clause 1.4 (3)(b) and the definition of “executive officer” in Multilateral Instrument 52-110). I suspect this result is unintended, but in any event, I would suggest that a chair should be considered to be independent if the chair (i) serves on a part time basis, (ii) is not a former senior officer of the issuer, and (iii) does not receive, directly or indirectly, any compensation from the issuer other than as remuneration for acting in his or her capacity as a member of the board or any board committee or as a part time chair of the board or any board committee.

2. Relationship Considered to be a “Material Relationship”

As I understand the Instrument’s definition of “independent”, an individual described in clause 1.4 (3)(f)(i) of Multilateral Instrument 52-110 is not considered to have a material relationship with the entity in question. Accordingly, an individual receiving a consulting fee of, say, $250,000 per year from the entity would not be considered to have a material relationship with the entity, although it would presumably be open to the board of directors of the entity to decide that such an individual had a material relationship with the entity and was, therefore, not independent. This approach seems to me to be at odds with the fact that an individual described in clause 1.4 (3)(f)(ii) of Multilateral Instrument 52-110 is considered to have a material relationship with the entity (i.e., not to be independent). That clause describes an individual who receives, or whose immediate family member receives, more than $75,000 per year in direct compensation from the issuer (other than remuneration for acting in various capacities as a director of the issuer). I would suggest that, in the cases of individuals described in both clause 1.4 (3)(f)(i) and clause 1.4 (3)(f)(ii), the decision as to whether or not the individual has a material relationship with the issuer could safely be left with the issuer’s board of directors. Given the relatively modest size of the Canadian business community, boards will frequently be called upon to judge the materiality of relationships between directors and the issuer that are considerably more complex than the receipt of $75,000 per year by a director or a director’s immediate family member. I understand the higher standard of independence required of audit committee members, but I think that clause 1.4 (3)(f)(ii) represents overkill when applied to board members generally or in their capacity as members of nominating or compensation committees.

3. Assessment of Performance

The Policy and the Instrument make a number of references to the board of an issuer assessing the performance of, variously, the board, the chair of the board, individual directors, the CEO, board committees and chairs of board committees. In some of these cases, it is virtually impossible for the board itself to make informed performance assessments. For example, the full board of an issuer has little or no insight into the in-meeting performance of a board committee and the chair of a board committee. I would suggest that, in

those cases, the individual committees should conduct the performance assessments.

4. Specific Request for Comment

   With respect to the five questions you have posed under the heading "Specific Request for Comment", I would answer "yes" to all the questions, except for the following:

   Question 1 (c) – I favor a description of practices by reference to the best practices described in the Policy. A requirement for a description of practices by reference to categories of governance principles would leave too much latitude for boiler plate responses.

   Question 1 (d) – Investors and their advisors purport to be placing increasing emphasis on governance practices of Canadian public companies. Publishing those practices should assist those market participants in assessing the companies for purposes of making investment decisions. For issuers, the requirement to disclose their practices will inevitably lead to the adoption of more best practices by more issuers. Few issuers will want to have to give extensive explanations for their failure to adopt best practices.

   Question 2 (c) –No.

Thank you for the opportunity to comment on the Policy and the Instrument.

Yours truly,

G. S. Bennett