

May 31, 2004

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**By Fax and Hand Delivered**

Ontario Securities Commission  
Saskatchewan Securities Commission  
Nova Scotia Securities Commission  
Office of the Attorney General, Prince Edward  
Island  
Registrar of Securities, Government of Yukon

Registrar of Securities, Legal Registry 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  
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- and -

Rick Whiler  
Ontario Securities Commission  
20 Queen Street West  
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- and -

Michael Brown  
Ontario Securities Commission  
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Alberta Securities Commission  
Manitoba Securities Commission  
Securities Administration Branch, New Brunswick  
Securities Commission of Newfoundland and  
Labrador  
Registrar of Securities, Department of Justice,  
Government of the Northwest Territories

Dear Sirs/Mesdames:

**Re: Proposed Multi-Lateral Policy 58-201 - Effective Corporate Governance and Proposed Multi-Lateral Instrument 58-101 – Disclosure of Corporate Governance Practices**

We are writing on behalf of a number of our clients to the request for comments regarding the Proposed Multi-Lateral Policy 58-201 – Effective Corporate Governance and Proposed Multi-Lateral Instrument 58-101 – Disclosure of Corporate Governance Practices ("MI 58-101") published in the Ontario Securities Commission Bulletin on January 16, 2004.

**Section 2.3(3) of MI 58-101 – Requirement to Press Release any Waivers from an Issuer's Code of Business Conduct and Ethics**

Concern has been expressed by certain of our clients as to the appropriateness and effectiveness of the requirement for issuers to issue a news release and file it on SEDAR in the event that its board of directors grants, in favour of an officer or director of the issuer or a subsidiary of the issuer, a waiver of its code of business conduct and ethics (its "code"). This requirement may provide issuers with a disincentive to establish stringent codes. A news release typically implies that the issuer has "material" undisclosed information for the marketplace. Investors or the broader marketplace may draw an adverse inference from a press release announcing a waiver with respect to the enforcement or compliance with its code (irrespective of the basis for granting the waiver). This concern is likely to lead issuers to set less stringent and less restrictive codes in order to reduce the likelihood that a waiver will be required, frustrating a core objective of the policy of encouraging higher and stricter standards of business conduct and ethics.

We submit that the AIF disclosure obligations set out in Section 5(b) of Form 58-101F1 concerning any waivers granted by an issuer's board of directors with respect to the enforcement and/or compliance with an issuer's code is sufficient to adequately inform the marketplace of any such waivers. The AIF disclosure requirement together with the requirements in Section 2.3 of MI 58-101 to disclose and keep updated an issuer's code will effectively keep the marketplace informed of the status of the issuer's business conduct and ethics.

We appreciate the opportunity to comment on the proposed policies and would be pleased to discuss any aspect of this submission with you.

Yours very truly,

**GOODMANS LLP**

Sheldon N. Freeman  
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