



**CANADIAN TIRE**

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Ontario Securities Commission  
SECRETARY'S OFFICE

***Gilbert S. Bennett***  
**Chairman of the Board**

December 6, 2004

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

Dear Mr. Stevenson:

**RE: PROPOSED AMENDMENTS TO MULTILATERAL INSTRUMENT 52-110 AUDIT COMMITTEES**

This letter is written in response to the Request for Comment on Proposed Amendments to Multilateral Instrument 52-110 Audit Committees.

The question I would pose is: Why is a Board chair or vice-chair (by definition, an "executive officer") who is otherwise independent considered to be independent if he/she acts as Board chair or vice-chair on a part-time basis, but considered not to be independent if he/she acts as Board chair or vice-chair on a full-time basis?

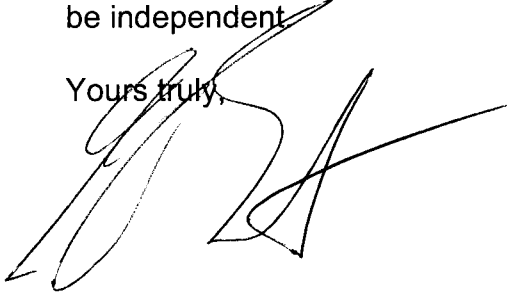
I raise this question because it is not clear to me why the independence of a Board chair or vice-chair would be influenced by the amount of time he/she spends on doing the job. My own experience as Board chair at Canadian Tire may be instructive. When I became chair almost eight years ago, the job consumed between 1.5 and 2 days per week of my time. Because of the many changes in governance which have occurred in the last eight years, I now spend closer to four days per week on the job. I believe that neither the Canadian Tire Board nor management perceives my independence to have been compromised by my spending more time in performing my chair duties; in fact, maintaining my independence is a contributor to my additional time commitment.

Another factor influencing the full-time or part-time nature of the job of a chair or vice-chair is the incumbent's experience. Again, making reference to my own situation, I have no doubt that if I were to be replaced by an otherwise independent but inexperienced new chair, that new chair would be required (at least for a year or two) to

devote his/her full time to the job in order to fulfill the duties and obligations which consume about four days per week of my time. Is there any logical basis for maintaining a rule which, in that circumstance, considers me to be independent but would consider my inexperienced successor not to be independent?

I would submit that the amount of time spent by a Board chair or vice-chair in doing his/her job should have no bearing on whether the chair or vice-chair is considered to be independent.

Yours truly,

A handwritten signature in black ink, appearing to be 'G. S. Bennett', written over the 'Yours truly,' text.

G. S. Bennett