NAV CANADA

Vice President, General Counsel &
Corporate Secretary
Direct Line: 613-563-7835

VIA EMAIL

March 16, 2009

Alberta Securities Commission
Saskatchewan Securities Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marché financiers
New Brunswick Securities Commission
Nova Scotia Securities Commission
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 the Northwest Territories
Registrar of Securities, Legal Registries Division, Department of Justice, Government of Nunavut

Me Anne-Marie Beaudoin, Corporate Secretary
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John Stevenson, Secretary
Ontario Securities Commission
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Toronto, Ontario M5H 3S8
Email: jstevenson@osc.gov.on.ca

Dear Sirs:

Re: Proposed National Policy 58-201 and Proposed National Instruments 58-101 and 52-110

As requested in your Request for Comment dated December 19, 2008, we write to provide comments on proposed National Policy 58-201 - Corporate Governance Guidelines, National Instrument 58-101 - Disclosure of Corporate Governance Practices, and National Instrument 52-110 - Audit Committees.

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.

National 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, National Instrument 51-102 - Continuous Disclosure Obligations, defines the Chair as not being independent because the Chair is considered an "executive officer" and executive officers are not considered independent in the definition of "independence" in National Instrument 52-110. 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. 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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