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TORONTO stock
EXCHANGE



April 29, 2002

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Dear Ms Houde:

Re: Amendments to the TSX Corporate Governance Guidelines (the "Guidelines")

In July 2000, the Toronto Stock Exchange (the "TSX"), the TSX Venture Exchange and the Canadian Institute of Chartered Accountants mandated the Joint Committee on Corporate Governance (the "JCCG") to review the state of corporate governance practices in Canada and recommend changes that will assure the ongoing development of Canadian corporate governance standards as among the best in the world. The JCCG tabled its preliminary report in March 2001 and, following extensive comments from various stakeholders and further deliberation by the committee, issued its final report in November 2001.

Proper corporate governance is important to issuers and their investors. Consequently, and in response to this report, we have made certain amendments to the Guidelines.

In amending the Guidelines (copy attached), we aimed to be consistent with our corporate governance mandate, based on the following principles:

- Each issuer must have the flexibility to develop its own approach to corporate governance.
- The role of the TSX is to provide a framework for issuers to disclose their corporate governance practices in order for the market to assess them.
- The development of a corporate governance culture goes beyond the Guidelines and requires a shared commitment and concentrated effort by boards, management and major shareholders of issuers.

The principal amendments to the Guidelines are as follows:

1. In response to 13 of the 15 JCCG Recommendations, we have amended 7 of the 14 current Guidelines to reflect the JCCG's views. These provide for: (i) the elaboration and clarification of the role of the board in adopting a strategic planning process; (ii) the elaboration and clarification of the role of the chair or other director to ensure the board functions independently of management; and (iii) the introduction of financial literacy and accounting expertise requirements for audit committee members.

2. We have added a total of 11 Practice Notes in support of the Guidelines. These Practice Notes will provide listed issuers with useful guidance as they develop their corporate governance practices.
3. The Guidelines currently apply only to business corporations. Language has been included in Section 472 (Disclosure Requirements) that will require listed issuers which are not business corporations, such as trusts and partnerships, to disclose their governance systems with reference to the Guidelines to the extent the Guidelines are applicable to their form of organization.

We have initiated a formal annual review of corporate governance disclosure practices of TSX listed issuers. Our review will look at such matters as the quality of disclosure, as well as provide an annual snapshot of current practices – good and bad – and trends in corporate governance. The summary of this review will be made available to you on an annual basis.

The changes to the Guidelines have been published for comment in the Ontario Securities Commission Bulletin for a 30-day comment period. Comments will be reviewed by the TSX in conjunction with the OSC and changes to the Guidelines may be made. It is anticipated that disclosure in respect of the amended Guidelines will be mandatory for TSX issuers with a year-end on or after December 31, 2002.

Good corporate governance protects shareholders and ensures the long-term viability of issuers by holding management accountable to the board and the board accountable to investors. Corporate governance is more than following the rules; it is an attitude and a genuine regard for the protection of the investor. We hope that the amended Guidelines will offer listed issuers the necessary tools to achieve these objectives.

For your convenience, we have also enclosed a black-lined version of the Guidelines.

Should you require additional information on the amended Guidelines, please contact me at (416) 947-4530 or Robert Fabes, Vice President, Advisory Affairs at (416) 947-4491.

Sincerely,



Clare Gaudet
Senior Vice President
Issuer Services

Encl.