

[LETTERHEAD OF INSTITUTE OF CORPORATE DIRECTORS]

September 25, 2003

Ontario Securities Commission
Alberta Securities Commission
Manitoba Securities Commission
Registrar of Securities, Government of Yukon
Registrar of Securities, Department of Justice,
Government of the Northwest Territories
Securities Commission of Newfoundland and Labrador
Nova Scotia Securities Commission
Commission des valeurs mobilières du Québec
Saskatchewan Financial Services Commission
Office of the Attorney General, Prince Edward Island
Registrar of Securities, Legal Registries Division, Department of Justice,
Government of Nunavut
Department of Justice, Securities Administration Branch, New Brunswick

Dear Sirs/Mesdames:

**Proposed Multilateral Instruments 52-108,
52-109 and 52-110 Requests for Comment**

We are writing in response to the Canadian Securities Administrators' ("CSA") Requests for Comment in respect of proposed multilateral instrument 52-108 Auditor Oversight, 52-109 Certification of Disclosure in Companies' Annual Interim Filings and 52-110 Audit Committees (the "Proposals") published June 27, 2003.

The Institute of Corporate Directors (the "ICD") is a not for profit organization established to promote improved corporate governance in Canada. It seeks to ensure that directors are well-prepared to deal effectively with the responsibilities of their positions and are informed about corporate governance developments. The ICD acts as a resource to Canadian corporate directors by providing information, education, advocacy and networking opportunities. By educating directors to be aware of their responsibilities and liabilities and helping them to appreciate the need to update their knowledge of corporate governance on an ongoing basis, the ICD has become an influential organization for the continuing development of director expertise. Through its many programs, the ICD provides directors with the knowledge to allow them to encourage innovation and competitiveness.

We would like to commend the members of the CSA involved in this initiative for the actions they have taken to foster confidence in the Canadian capital markets. Confidence in the integrity of an issuer's financial statements and in the effectiveness of the roles played by the

audit committee and the external auditor in connection with these statements will be important in the continued recovery of our capital markets.

As the voice for corporate directors in Canada, our concern with the above noted proposals (in particular, proposed Multilateral Instrument 52-110) relates to director liability. This issue arises in particular with respect to the audit committee financial expert. We appreciate the reference in Companion Policy 52-110CP to the view of the participating securities regulators that the designation of a director as the audit committee financial expert should not increase that director's exposure to liability. However, this proposition has not yet been tested by the courts and directors are understandably concerned about the potential for enhanced liability. We would like to see a statutory acknowledgement that directors who bring a particular skill set to the board continue to be subject to the same duty of care as all other directors and do not attract increased liability simply as a result of those skills.

Please do not hesitate to contact me to discuss our comments further.

Yours very truly,

Carol Hansell

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