

Canadian Coalition for  
**GOOD GOVERNANCE**

**THE VOICE OF THE SHAREHOLDER**

September 15, 2006

Mr. Derrick Sturge, FCA, FCMA  
Chair  
Canadian Performance Reporting Board  
The Canadian Institute of Chartered Accountants  
277 Wellington Street West  
Toronto, ON M5V 3H2

Dear Mr. Sturge,

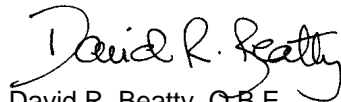
Thank you for the opportunity to provide the Canadian Performance Reporting Board with our comments on the draft document Risk Disclosures MD&A Interpretive Release. The Canadian Coalition for Good Governance promotes good governance practices in the companies owned by our 50 members. Membership in the CCGG includes a wide range of institutional investors - pension funds, mutual funds and third party money managers - who invest in the Canadian capital market.

Generally, we find the purpose of the MD&A (Management Discussion and Analysis) risk disclosure guidance (Section 110) to be useful. However, in our view, the detailed identification and descriptions of the risks is quite lengthy and as such we have concerns that the quantity of information required to be disclosed could affect the usefulness of the MD&A. We prefer a more principles based approach to risk disclosure in the MD&A rather than the rules based one which we believe is the tendency of this guidance.

The disclosure requirements proposed in the interpretive release are quite significant and it is questionable whether these requirements will provide readers with more effective disclosure. We believe the MD&A should be a straightforward document written in clear language with a focus on the company's long term strategy, how to achieve that strategy and the relevant risks and opportunities associated with its execution. The MD&A should provide its reader with what is needed to make an informed decision. In our view, the level of disclosure being contemplated in this interpretive release is too detailed. Readers of the MD&A would need to dedicate a significant amount of effort to organize the information on a company's risk profile into a more succinct form necessary to facilitate effective decision making.

Again, thank you for the opportunity to comment. Should you wish to discuss this further, I encourage you to contact the Coalition's Auditing and Accounting Subcommittee.

Yours truly,



David R. Beatty, O.B.E.  
Managing Director