

Update

Corporate Securities Law

July 27, 2006

TSX Notice With Respect to Security Based Compensation Plans and “Poison Pill” Disclosure Obligations

The Toronto Stock Exchange has issued a notice of importance to listed issuers with security based compensation plans or proposing security holder rights plans.

Security Holder Approval of Unallocated Entitlements

The notice reminds listed issuers with security based compensation plans such as stock option plans with no fixed number of issuable securities, and which automatically “reload” upon exercise, that they must receive security holder approval for their plans *every three years*. In particular, the TSX has advised listed issuers that for the purpose of obtaining such approval, broadly cast amendments will not suffice. Security holders must pass a resolution specifically approving unallocated entitlements under the plan and identify the next date (within three years) by which the listed issuer will seek subsequent renewal approval. If approval is not obtained within the three years, all unallocated entitlements will be cancelled and may not be granted until the approval is obtained.

Public Announcement of Security Holder Rights Plans

The TSX advises listed issuers that adopt security holder rights plans (“poison pills”) without TSX pre-clearance that they must publicly announce that the adoption of the rights plan is subject to TSX acceptance. In addition, if the TSX determines to defer its review of, or decision to consent to, a plan, pending its consideration by the appropriate securities commission or otherwise,

the listed issuer must publicly announce the decision of the TSX to defer. Disclosure should also be made when the TSX has made a decision to consent, or to deny consent, to the adoption of a rights plan.

Disclosure of Pardons in Personal Information Forms

The notice also contains a reminder that individuals who have received a pardon under the *Criminal Records Act* (Canada) of their disclosure obligations when completing a Personal Information Form for the TSX. Such an individual must disclose that a pardon has been granted on a certain date and provide details of the pardoned offence in an attachment to the PIF.

Should you wish to discuss any of these issues, we invite you to contact any member of the Goodmans corporate securities team.

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