

June 15, 2004

MEMORANDUM TO: All IMO Staff

FROM: Bruce Campbell
Vice-President, Corporate & Legal Affairs

RE: Prohibition on Communication Regarding
Exemption Applications (Revised)

As you are no doubt aware, market participants and the IMO are permitted to submit applications for exemptions from obligations or standards set out in the market rules. The procedure for processing exemption applications is set out in the independent directors' procedure entitled "Exemption Application and Assessment" (the "Procedure").

Pursuant to the Procedure, IMO staff will review each exemption application, obtain all relevant information and finally provide an IMO staff recommendation to the Panel of independent directors (the "Panel") who will make the decision on whether the exemption will be granted. Any individual who has participated in the evaluation of an exemption application will be considered to be Exemption Staff ("Exemption Staff"). Other IMO staff, who have not been involved with the evaluation of an exemption application, will be assigned to provide support to the Panel ("Panel Staff").

The name of Panel Staff will be circulated to all IMO staff via e-mail and will be updated as appropriate.

In order to ensure both the appearance and reality of fairness in the review of exemption applications by the Panel, it is essential that Exemption Staff and Panel Staff refrain from discussing with each other any exemption application prior to the expiry of the posting period for the IMO staff recommendation. Confidentiality of information is a principle highlighted in the IMO's Code of Conduct. In addition to the IMO's normal confidentiality rules and policies, information related to the evaluation of exemption applications is to be considered confidential as between Exemption Staff and Panel Staff, and is not to be discussed or communicated in any way between them prior to the expiry of the posting period for the IMO staff recommendation. This instruction is mandatory for all employees involved with the exemption process.

Thanks for your anticipated co-operation.



Bruce B. Campbell