the
Churchill
Corporation

NOTICE OF THE MAY 22, 2014
ANNUAL AND SPECIAL MEETING
OF SHAREHOLDERS AND
MANAGEMENT INFORMATION CIRCULAR

TO BE HELD AT:

Metropolitan Conference Centre
333 Fourth Avenue South West
Calgary, Alberta
at 2:00 p.m.

Dated: April 2, 2014

Table of Contents

THE CHURCHILL CORPORATION
NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting (the "**Meeting**") of holders (the "**Shareholders**") of common shares (the "**Common Shares**") of The Churchill Corporation (the "**Corporation**") will be held at the Metropolitan Conference Centre, 333 – 4th Avenue SW, Calgary, Alberta on Thursday, May 22, 2014 at 2:00 p.m. (Mountain Time) for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Corporation for the year ended December 31, 2013, together with the report of the Auditor on those statements;

2. to fix the number of Directors to be elected at the Meeting at nine (9) and elect the Directors of the Corporation to hold office for the ensuing year;

3. to appoint Deloitte LLP as the independent Auditor of the Corporation for the ensuing year and to authorize the Board of Directors to fix the remuneration of the Auditor;

4. to consider and, if deemed advisable pass, with or without variation, a special resolution in the form set forth in the accompanying Management Information Circular, changing the name of the Corporation to Stuart Olson Inc.; and

5. to transact such other business as may properly come before the Meeting or at any adjournment thereof.

If you are a Shareholder of record on April 10, 2014, you are entitled to vote at the Meeting.

The specific details of all matters proposed to be put before the Meeting are set forth in the Management Information Circular accompanying this Notice of Meeting.

It is desirable that as many Common Shares as possible be represented at the Meeting. If you cannot attend the Meeting in person and would like your Common Shares represented, please complete the enclosed instrument of proxy and return it as soon as possible in the envelope provided for that purpose. To be valid, all proxies must be received by CST Trust Company, P.O. Box 721, Agincourt, Ontario M1S 0A1 no later than 2:00 p.m. (Mountain Time) on May 20, 2014 or, if the Meeting is adjourned, at least forty-eight (48) hours (excluding weekends and holidays) before the time set for the Meeting to resume. Late proxies may be accepted or rejected by the Chair of the Meeting in his discretion, and the Chair is under no obligation to accept or reject any particular late proxy.

BY ORDER OF THE BOARD OF DIRECTORS

"Albrecht W.A. Bellstedt"

Albrecht W.A. Bellstedt
Chairman

Calgary, Alberta, Canada
April 2, 2014

THE CHURCHILL CORPORATION
MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

Solicitation of Proxies by Management

This management information circular ("**Circular**") is furnished in connection with the solicitation of proxies by management ("**Management**") of The Churchill Corporation ("**Churchill**" or the "**Corporation**") for use at the annual and special meeting of the holders ("**Shareholders**") of common shares of the Corporation (the "**Common Shares**") to be held at the Metropolitan Conference Centre, 333 – 4th Avenue SW, Calgary, Alberta on the 22nd day of May, 2014 at 2:00 p.m. (Mountain Time), or at any adjournment thereof (the "**Meeting**"), for the purposes set forth in the accompanying notice of meeting ("**Notice of Meeting**"). The information contained herein is given as of the 2nd day of April, 2014, except where otherwise indicated. Enclosed herewith is a form of proxy for use at the Meeting, together with a copy of the Corporation's financial statements of the Corporation to be presented at the Meeting if you are entitled to or elected to receive such report. The Corporation's financial statements are also available under the Corporation's profile on SEDAR at www.sedar.com, or on the Corporation's website at www.churchillcorporation.com under the "Investors" tab at the top of the page. Each Shareholder is encouraged to participate in the Meeting and Shareholders are urged to vote in person or by proxy on the matters to be considered.

Appointment and Revocation of Proxies

The persons named (the "Management Designees") in the enclosed instrument of proxy ("Instrument of Proxy") have been selected by the Directors of the Corporation and have indicated their willingness to represent as proxy the Shareholder who appoints them. A Shareholder has the right to designate a person or company (who need not be a Shareholder) other than the Management Designees to represent him, her or it at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the Instrument of Proxy, the name of the person to be designated and by deleting the names of the Management Designees, or by completing another proper form of proxy and delivering the same to the transfer agent of the Corporation within the time limits described below. Such Shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and should provide instructions on how the Shareholder's Common Shares are to be voted. The nominee should bring personal identification with him or her to the Meeting. In any case, the form of proxy should be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached where an attorney executed the proxy form. In addition, a proxy may be revoked by a Shareholder personally attending the Meeting and voting his, her or its Common Shares.

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered to the Corporation's transfer agent, CST Trust Company, P.O. Box 721, Agincourt, Ontario M1S 0A1, no later than 2:00 pm (Mountain time) on May 20, 2014 or, if the Meeting is adjourned, at least forty-eight (48) hours (excluding weekends and holidays) before the time set for the Meeting to resume. Late proxies may be accepted or rejected by the Chair of the Meeting in his discretion, and the Chair is under no obligation to accept or reject any particular late proxy.

A Shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked by depositing an instrument in writing executed by the Shareholder or by his or her authorized attorney in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, either at the registered office of the Corporation or with CST Trust Company, P.O. Box 721, Agincourt, Ontario M1S 0A1, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof at which the proxy is to be used, or by depositing the instrument in writing with the Chair of such Meeting on the day of the Meeting, or any adjournment thereof. In addition, a proxy may be revoked by the Shareholder personally attending the Meeting and voting his, her or its Common Shares.

Advice to Beneficial Shareholders

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to in this Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders who appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the Shareholder's name. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for, against or withhold) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy and law requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to registered Shareholders by the Corporation. However, its purpose is limited to instructing the registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers in Canada now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker, a Beneficial Shareholder may attend the Meeting as proxy holder for the registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxy holder for the registered Shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

All references to Shareholders in this Circular and the accompanying Instrument of Proxy and Notice of Meeting are to registered Shareholders unless specifically stated otherwise.

Voting of Proxies

Each Shareholder may instruct his or her proxy how to vote his or her Common Shares by completing the blanks on the Instrument of Proxy. All Common Shares represented at the Meeting by properly executed proxies will be voted for or against or withheld from voting (including the voting on any ballot) in respect of each proposed resolution, as the case may be, and where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the Common Shares represented by the proxy will be voted in accordance with such specification. **In the absence of any such specification as to voting on the Instrument of Proxy, the Management Designees, if named as proxy, will vote in favour of the matters set out therein. In the absence of any specification as to voting on any other form of proxy, the Common Shares represented by such form of proxy will be voted in favour of the matters set out therein.**

The enclosed Instrument of Proxy confers discretionary authority upon the Management Designees, or other persons named as proxy, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. As of the date hereof, the Board of Directors of the Corporation is not aware of any amendments to, variations of, or other matters which may come before the Meeting. In the event that any amendment to, variation of, or other matter comes before the Meeting, the Management Designees will vote in accordance with their judgment.

Persons Making the Solicitation

This solicitation is made on behalf of Management. The cost incurred in the preparation and mailing of both the proxy and this Circular, as well as the costs in connection with the solicitation of proxies, will be borne by the Corporation. In addition to the use of mail, proxies may be solicited by personal interviews, personal delivery, telephone or any form of electronic communication or by Directors, officers and employees of the Corporation who will not be directly compensated therefor.

In accordance with National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer*, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so.

Quorum

The by-laws of the Corporation provide that a quorum of Shareholders is present at a meeting of Shareholders if a holder or holders of not less than 10% of the Common Shares entitled to vote at a meeting of Shareholders are present in person or by proxy.

Voting Shares and Principal Holders Thereof

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series. As at the effective date of this Circular, which is April 2, 2014 (the "**Effective Date**"), the Corporation had 24,886,925 Common Shares issued and outstanding and no preferred shares issued and outstanding.

Only holders of Common Shares of record at the close of business on April 10, 2014 (the "**Record Date**") are entitled to vote such Common Shares at the Meeting on the basis of one vote for each Common Share held, except to the extent that (a) the holder has transferred the ownership of any of his Common Shares after the Record Date, and (b) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he owns the Common Shares, and demands not later than ten (10) days before the day of the Meeting that his name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his Common Shares at the Meeting.

To the knowledge of the Directors and the executive officers of the Corporation, as at the Effective Date, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the votes attached to the Common Shares except as set out in the following table:

Name	Type of Ownership	Number of Common Shares Owned, Controlled or Directed at the Effective Date	Percent of Outstanding Common Shares
Mr. Peter Allard(1) Christ Church, Barbados	Registered and Beneficial	3,416,500	13.7%
HMQ, Alberta Investment Management Co. Edmonton, Alberta	Beneficial	4,285,700(2)	17.2%
Letko, Brosseau & Associates Inc. Montreal, Québec	Beneficial	3,821,120(3)	15.4%

Notes:

(1) Pursuant to an agreement dated July 31, 1997 between Mr. Allard and the Corporation, Mr. Allard is entitled to nominate one director of the Corporation for election to the board of directors, which nominee Management has agreed to support, as long as Mr. Allard retains ownership of a minimum of 1,000,000 Common Shares. Mr. Allard has nominated Chad Danard for election to the board at the Meeting.

(2) Based on the Alternative Monthly Report under Part 4 of National Instrument 62-103 *The Early Warning System and Related Take-over Bid and Insider Reporting Issues* ("**NI 62-103**") filed with the securities regulatory authorities by HMQ c/o Alberta Investment Management Corporation on December 8, 2011. No subsequent filings have been noted to the Effective Date.

(3) Based on the Alternative Monthly Report under Part 4 of NI 62-103 filed with the securities regulatory authorities by Letko, Brosseau & Associates Inc. on May 8, 2013. No subsequent filings have been noted to the Effective Date.

MATTERS TO BE ACTED UPON AT THE MEETING

If you appoint as your proxy the Management Designees set out in the enclosed Instrument of Proxy, and do not specify how you want your Common Shares to be voted, your Common Shares will be voted FOR each matter set out in the Instrument of Proxy. As of the date hereof, the Board of Directors of the Corporation (the "**Board**" or the "**Board of Directors**") is not aware of any amendments to, variations of, or other matters which may come before the Meeting. In the event of any amendment to, variation of, or other matter comes before the Meeting, the Management Designees will vote in accordance with their judgment.

A. Financial Statements

The Board of Directors of the Corporation has approved the audited financial statements of the Corporation for the year ended December 31, 2013 and the report of the Auditor thereon, a copy of which has been delivered to all registered Shareholders concurrently with this Circular, except those who have asked not to receive it, and to Beneficial Shareholders who have requested it. A copy of the audited financial statements is also available on the Corporation's website at www.churchillcorporation.com under the "Investors" tab and under the Corporation's profile on SEDAR at www.sedar.com.

B. Fix the Number of Directors and the Election of Directors

The Articles of the Corporation provide that the Corporation shall have not less than three (3) and no more than fifteen (15) Directors. Shareholders of the Corporation will be asked to consider and, if deemed advisable, pass, with or without variation, an ordinary resolution fixing the number of Directors to be elected at the Meeting at nine (9). In order to be effective, an ordinary resolution requires the approval of a majority of the votes cast by the Shareholders who vote in respect of the resolution.

At the Meeting, it will be proposed that nine (9) Directors be elected to hold office until the next Annual General Meeting or until their successors are elected or appointed. For further information in respect of each of the nominees see the disclosure under the section of this Circular entitled "About the Nominated Directors". The following are the names of the proposed nominees for election as Directors:

Richard T. Ballantyne	**Albrecht W.A. Bellstedt**	**Chad Danard**
Rod W. Graham	**Wendy L. Hanrahan**	**David LeMay**
Carmen R. Loberg	**Ian M. Reid**	**George M. Schneider**

All of the nominees have indicated their willingness to serve on the Board. Management knows of no reason why a nominee would be unavailable for election. However, if a nominee is not available to serve at the time of the Meeting, **the proxies held by Management Designees will be voted for another nominee in their discretion unless the Shareholder has specified in his, her or its form of proxy that his, her or its Common Shares are to be withheld from voting in the election of Directors.**

Management and the Board recommend that you vote FOR these Director nominees. **The Management Designees, if named as proxy, intend to vote the Common Shares represented by any such proxy FOR each of these nominees, unless directed otherwise by a proxy holder, or such authority is withheld.**

C. Appointment of Auditors

The Board of Directors recommends appointing Deloitte LLP as Auditor for 2014. Deloitte LLP has served as Auditor of the Corporation for the past five years. Representatives of the Auditor will be present at the Meeting and will be given the opportunity to answer any questions. **Unless directed otherwise by a proxy holder, or such authority is withheld, the Management Designees, if named as proxy, intend to vote the Common Shares represented by any such proxy in favour of a resolution appointing Deloitte LLP as Auditor of the Corporation for the ensuing year,** to hold office until the close of the next annual general meeting of Shareholders. The Management Designees also intend to vote the Common Shares represented by any such proxy in favour of a resolution authorizing the Board of Directors to fix the compensation of the Auditor.

D. Changing the Corporation's Name from The Churchill Corporation to Stuart Olson Inc.

At the Meeting, shareholders will be asked to consider and, if thought advisable, to approve a special resolution changing the Corporation's name from The Churchill Corporation to "Stuart Olson Inc.". Management and the Board have determined that a change in the Corporation's name is desirable and necessary on a number of practical and strategic levels. The present operating structure, comprised of four stand-alone companies reporting to a single holding company, has resulted in brand confusion surrounding the Churchill name and a structure not able to fully capitalize on the natural synergies within the companies and the changing priorities of the industry. While each of the reporting companies have earned strong brand recognition in their respective markets, the name "The Churchill Corporation" has not developed the name recognition necessary to leverage organizational success and build a company brand that is understood and recognized within the industry and with the public.

The selection of the name "Stuart Olson Inc." is a logical and strategic choice. It is a name with a long and successful history within the construction industry and we believe that the change to "Stuart Olson Inc." will immediately simplify and strategically strengthen the company brand.

The special resolution to be considered by Shareholders at the Meeting is as follows:

"RESOLVED THAT:

1. the articles of the Corporation be amended to change the name of the Corporation from The Churchill Corporation to Stuart Olson Inc.;

2. the directors of the Corporation are hereby authorized to revoke this special resolution without further approval of the holders of the Corporation's Common Shares at any time prior to the endorsement by the directors under the *Business Corporations Act* (Alberta) of articles of amendment in respect of this resolution; and

3. any one director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to execute and deliver articles of amendment to the Registrar of Corporations under the *Business Corporations Act* (Alberta) in order to give effect to this special resolution, and to execute and deliver all such other documents and to do all such acts and things as in the opinion of such director or officer may be necessary or desirable in connection with the foregoing."

To be effective, the resolution to change the Corporation's name must be approved by two-thirds of the votes cast by holders of Common Shares who vote in respect of the resolution, in person or represented by proxy at the Meeting in accordance with the provisions of the *Business Corporations Act* (Alberta).

Management and the Board recommend that you vote FOR the resolution relating to the Corporation's name change. **Unless a shareholder directs that his or her Common Shares are to be voted against this resolution, the Management Designees, if named as proxy, intend to vote the Common Shares represented by any such proxy "FOR" the special resolution to change the Company's name.**

If approved by Shareholders, the effective date of the change of the Corporation's name will be the date of issuance of a certificate of amendment by the Registrar of Corporations in respect of the change of the Corporation's name under the ABCA which is expected to be obtained immediately following the Meeting or as soon as practicable thereafter. The Corporation is not forwarding a letter of transmittal to Shareholders for their use in transmitting share certificates representing Common Shares of the Corporation in exchange for new share certificates giving effect to the change of the Corporation's name. Instead, in the event that the change of the Corporation's name is approved by the requisite number of Shareholders at the Meeting and articles of amendment are subsequently filed to give effect thereto, each existing share certificate reflecting the current name of the Corporation shall continue to be a valid share certificate of the Corporation until such certificate is transferred, re-registered or otherwise exchanged.

E. Other Business

Management does not intend to present any other business at the Meeting and is not aware of changes to the proposed matters or other matters which may be presented for action. If changes or other matters are properly brought before the Meeting, your proxy holder will vote on them using his or her best judgment.

ABOUT THE NOMINATED DIRECTORS

The following Director biographies describe the nominee and provide information with respect to meeting attendance, equity ownership in each of 2012 and 2013, the changes in equity ownership and public board memberships for each such nominee.

Richard T. Ballantyne, P.Eng
Age: 55
Salt Spring Island, British Columbia
Director Since: May 23, 2013

Mr. Ballantyne is the President of Timple Consulting Ltd., a consulting services firm. Mr. Ballantyne retired in 2005 as the President of Terasen Pipelines Ltd. (a transportation and service provider to the energy industry), having held such position since 2001. Prior to that, Mr. Ballantyne held various positions in the energy industry, including Director, Transmission and Project Development of BC Gas Utility Ltd. from 1998 to 2001.

During his career, Mr. Ballantyne has been a Director on numerous public and private boards, including the British Columbia Safety Authority, Canadian Hydro Developers Inc., Cimarron Engineering Ltd. and Terasen Pipelines (Trans Mountain) Inc. He also has been a Director on several not-for-profit boards.

Mr. Ballantyne holds a Bachelor of Applied Science in Mechanical Engineering from the University of British Columbia and has completed the Executive Program at the Banff School of Advanced Management and the Director's Education Program from the Institute of Corporate Directors.

Board/Committee Member at December 31, 2013	Meeting Attendance:	Attendance (Total):		Other Public Board Memberships in Previous Five Years:	
Board Audit Health, Safety and Environment	3 of 3 2 of 2 1 of 1	6 of 6	100%	Canadian Hydro Developers Inc.	2009

Securities Held (at a price of $9.44 per Common Share as at December 31, 2013):

Year	Shares	DSUs	Total Shares and DSUs	Principal Amount of Debentures	Total Market Value of Shares, DSUs & Debentures	Meets Equity Holding Requirements
2013	8,000	5,110	13,110	Nil	$123,758	Yes

Albrecht W.A. Bellstedt, Q.C.
Age: 65
Canmore, Alberta
Director Since: May 17, 2007

Mr. Bellstedt is President of A.W.A. Bellstedt Professional Corporation, a consulting services firm. Mr. Bellstedt retired in February 2007 as the Executive Vice-President, Law and Corporate of TransCanada Corporation (a diversified energy services company), having held senior executive positions at TransCanada Corporation since 1999. Mr. Bellstedt was previously a partner with a predecessor to the law firm of Fraser Milner Casgrain LLP where he specialized in transactional work including securities law, mergers and acquisitions, banking and venture capital investments. Mr. Bellstedt is a director of a number of public companies, including: (a) Canadian Western Bank, where he is the Chair of the Governance and Nominating Committee and a member of the Human Resources and Compensation Committee; and (b) Capital Power Corporation, where he is the Chair of its Compensation, Governance and Nominating Committee and a member of its Health, Safety and Environment Committee. Mr. Bellstedt is also a director of various private companies.

Board/Committee Member at December 31, 2013	Meeting Attendance:	Attendance (Total):		Other Public Board Memberships in Previous Five Years:	
Board (Chair)	8 of 9	8 of 9	89%	Canadian Western Bank Capital Power Corporation The Forzani Group Ltd. Sun-Times Media Group, Inc.	1995 – present 2009 – present 1993 – 2011 2007 – 2008

Securities Held (at a price of $9.44 and **$8.70 per Common Share as at December 31, 2013 and December 31, 2012, respectively):**

Year	Shares	DSUs	Total Shares and DSUs	Principal Amount of Debentures	Total Market Value of Shares, DSUs & Debentures	Meets Equity Holding Requirements
2013	16,900	41,203	58,103	$50,000	$598,492	Yes
2012	16,900	27,504	44,404	$50,000	$436,315	Yes
Change	**Nil**	**13,699**	**13,699**	**Nil**	**$162,177**	**-**

Chad Danard
Age: 34
Calgary, Alberta
Director Nominee

Mr. Danard is a Managing Director at TriWest Capital Partners, a Calgary-based private equity firm that has raised over $775 million of committed capital across four funds. Mr. Danard is involved in all aspects of TriWest's investing activities and has participated as a director of a number of current and former TriWest portfolio companies. Prior to joining TriWest in 2005, Mr. Danard worked at Morgan Stanley in the Global Energy and Utility Group in New York and in the Canada Group in Toronto. While at Morgan Stanley, Mr. Danard was involved in a variety of mergers and acquisitions-related strategic advisory assignments, equity offerings and both private and public debt financings. He received a Bachelor of Commerce degree (finance concentration) from the Queen's University School of Business, where he graduated as the top ranked student in the program.

Board/Committee Member at December 31, 2013	Meeting Attendance:	Attendance (Total):	Other Public Board Memberships in Previous Five Years:	
Not applicable	Not applicable	Not applicable	Edgefront Real Estate Investment Trust	2014 - present

Mr. Danard is a new nominee to the Board. He does not own any equity securities of the Corporation.

Rod W. Graham, CFA, MBA
Age: 46
Calgary, Alberta
Director Since: May 23, 2013

Mr. Graham has been the Senior Vice President, Corporate Development and Planning of Horizon North Logistics Inc. (a resource development service company) since January 2014. Prior thereto, Mr. Graham was the President and CEO of ZCL Composites Inc. (ZCL-T) (a fiberglass tank manufacturer) from September 2010 until August 2012. Prior to that Mr. Graham was a co-founder and from 2005 until 2010 was the managing director of Northern Plains Capital Ltd., a private equity firm. Prior to that, he held various positions with ARC Financial Corporation and its predecessor, PowerWest Financial, from 1991 to 2004, including Senior Vice President and Director of ARC Financial.

Mr. Graham currently serves on the Board of Directors of Raise Production Inc. (RPC-V), First Industries (Private) and Corrosion Abrasion Solutions Ltd. (Private). During his career, Mr. Graham has sat on numerous public and private oilfield service boards including Innicor Subsurface Technologies Inc., C-Tech Oil Well Technologies Inc., Technicoil Inc, Iron Derrickman, BOS Solutions, Corlac Inc and Tarpon Energy Services Ltd. He also sits on a Calgary-based not for profit board.

Mr. Graham is a Chartered Financial Analyst (CFA), holds a Business Administration degree from Wilfrid Laurier University (Honours) and an MBA from the University of Western Ontario (Ivey Scholar). He is also a member of the Young Presidents Organization.

Board/Committee Member at December 31, 2013	Meeting Attendance:	Attendance (Total):		Other Public Board Memberships in Previous Five Years:	
Board Audit Health, Safety and Environment	3 of 3 2 of 2 1 of 1	6 of 6	100%	Horizon North Logistics Inc. ZCL Composites Inc. Technicoil Inc. Essential Energy Services Ltd. Raise Production Inc.	2007 – 2014 2005 – 2013 2009 – 2011 2011 – 2013 2012 – present

Securities Held (at a price of $9.44 per Common Share as at December 31, 2013):

Year	Shares	DSUs	Total Shares and DSUs	Principal Amount of Debentures	Total Market Value of Shares, DSUs & Debentures	Meets Equity Holding Requirements
2013	30,000	5,110	35,110	Nil	$331,438	Yes

Wendy Hanrahan, CA
Age: 56
Calgary, Alberta
Director Since: December 9, 2009

Ms. Hanrahan is the Executive Vice-President, Corporate Services at TransCanada Corporation (an energy infrastructure company) where she is responsible for human resources and internal communications, information systems, aviation and facilities services. Since joining TransCanada in 1995, Ms. Hanrahan has held a variety of key leadership roles in human resources, finance and accounting, corporate strategy, and in the gas transmission business. She also served as Vice-President, TC PipeLines, LP. Prior to joining TransCanada, Ms. Hanrahan worked in various accounting roles at Gulf Canada Resources and was an Audit Manager at Ernst & Young LLP. Ms. Hanrahan sits on the Board of Directors of Heritage Park. Ms. Hanrahan holds a Bachelor of Science in Business Administration from the University of South Carolina and is a Member of the Institute of Chartered Accountants of Alberta.

Board/Committee Member at December 31, 2013	Meeting Attendance:	Attendance (Total):		Other Public Board Memberships in Previous Five Years:
Board Audit Human Resources and Compensation (Chair)	9 of 9 4 of 4 4 of 4	17 of 17	100%	None

Securities Held (at a price of $ 9.44 and $8.70 per Common Share as at December 31, 2013 and December 31, 2012, respectively):

Year	Shares	DSUs	Total Shares and DSUs	Principal Amount of Debentures	Total Market Value of Shares, DSUs & Debentures	Meets Equity Holding Requirements
2013	6,415	35,679	42,094	Nil	$397,367	Yes
2012	3,425	22,577	26,002	Nil	$226,217	Yes
Change	**2,990**	**16,092**	**16,092**	**Nil**	**$171,150**	-

David J. LeMay
Age: 46
Calgary, Alberta
Director Since: June 1, 2013

Mr. LeMay was appointed President & Chief Executive Officer and a Director of the Corporation effective June 1, 2013. Prior thereto Mr. LeMay served as President & Chief Operating Officer from July 2012 to May 31, 2013. Previously, Mr. LeMay was President of Churchill Services Group, which provides integrated products and services on behalf of Churchill's Industrial Services segment and Stuart Olson Dominion's Industrial. Mr. LeMay has also served as President and COO of Churchill's Laird Electric Inc. subsidiary. During his 25 years in the construction industry he has been involved in all aspects of the field from estimating through to project management. Mr. LeMay is a licensed construction electrician and has an MBA from Queens University in Kingston, Ontario, which he obtained while leading Churchill Services Group as President. He is also a member of the Young Presidents Organization.

Board/Committee Member at December 31, 2013	Meeting Attendance:	Attendance (Total):		Other Public Board Memberships in Previous Five Years:
Board	3 of 3	3 of 3	100%	None

Securities Held (at a price of $9.44 and $8.70 per Common Share as at December 31, 2013 and December 31, 2012, respectively):

Year	Shares	DSUs	Total Shares and DSUs	Principal Amount of Debentures	Total Market Value of Shares, DSUs & Debentures	Meets Equity Holding Requirements[(1)]
2013	27,639	2,419	30,058	Nil	$283,747	No
2012	18,119	2,275	20,394	Nil	$177,428	No
Change	**9,520**	**144**	**9,664**	**Nil**	**$106,319**	-

Note:

(1) Mr. LeMay has three years from the date on which he was appointed to his current position to meet the applicable equity holding requirements. See the section of this Circular entitled "Executive Compensation Discussion and Analysis – Executive Equity Ownership Guidelines" for further details on Mr. LeMay's equity holdings.

	**Carmen R. Loberg** Age: 64 Calgary, Alberta Director Since: July 1, 2009	Mr. Loberg is a corporate director. Prior thereto Mr. Loberg was President and CEO of Norterra Inc. (“**Norterra**”) for a 10 year period until June 2010. Norterra is a privately-held investment management company, and as President and CEO of Norterra Mr. Loberg was responsible for managing its diverse investments in transportation, logistics, manufacturing and industrial supplies. Mr. Loberg is currently a director of HNZ Group Inc., McCoy Corporation and the Vancouver Fraser Port Authority (Port Metro Vancouver), where he is a member of the Audit Committee and the Human Resources and Compensation Committee. He is also a director of Vector Industries, a privately-held company based in Edmonton, Alberta. He is a former director of the Edmonton Oilers Community Foundation and a former director of Arctic Net, a University Center of Excellence in Arctic Research based out of Laval University.

Board/Committee Member at December 31, 2013	Meeting Attendance:	Attendance (Total):		Other Public Board Memberships in Previous Five Years:	
Board Health, Safety and Environment Human Resources and Compensation	9 of 9 2 of 2 4 of 4	15 of 15	100%	Canadian Helicopters Income Fund HNZ Group Inc. McCoy Corporation	2005 – 2010 2011 – present 2008 – present

Securities Held (at a price of $9.44 and $8.70 per Common Share as at December 31, 2013 and December 31, 2012, respectively):

Year	Shares	DSUs	Total Shares and DSUs	Principal Amount of Debentures	Total Market Value of Shares, DSUs & Debentures	Meets Equity Holding Requirements
2013	3,850	41,834	45,684	$25,000	$456,257	Yes
2012	3,850	28,662	32,512	$25,000	$307,854	Yes
Change	**Nil**	**13,172**	**13,172**	**Nil**	**$148,403**	-

	**Ian M. Reid, B.Comm.** Age: 58 Edmonton, Alberta Director Since: May 17, 2007	Mr. Reid is a corporate director and independent businessperson. He retired from Finning International Inc. in 2008 after a 30-year career, which included 11 years as President of Finning (Canada) Ltd. In addition to the public company directorships set out below, Mr. Reid serves on the Board of Directors of Fountain Tire Ltd., a privately held corporation owned in partnership with Goodyear Canada, Associated Engineering and Voice Construction OPCO ULC. He served as the Chair of the Board of Governors of the Northern Alberta Institute of Technology from 2003 until 2007 and has been a member of numerous other community and industry associations. Mr. Reid holds a Bachelor of Commerce degree from the University of Saskatchewan and is a graduate of the Advanced Management Program at Harvard Business School.

Board/Committee Member at December 31, 2013	Meeting Attendance:	Attendance (Total):		Other Public Board Memberships in Previous Five Years:	
Board (Vice Chair) Audit Governance and Nominating (Chair) Human Resources and Compensation Committee	8 of 9 1 of 2 2 of 3 1 of 1	12 of 15	79%	Canadian Western Bank Flint Energy Services Ltd. Delta Gold Corporation	2011 – present 2009 – 2012 2013 – present

Securities Held (at a price of $9.44 and $8.70 per Common Share as at December 31, 2013 and December 31, 2012, respectively):

Year	Shares	DSUs	Total Shares and DSUs	Principal Amount of Debentures	Total Market Value of Shares, DSUs & Debentures	Meets Equity Holding Requirements
2013	12,275	46,946	59,221	$25,000	$584,046	Yes
2012	9,582	31,501	41,083	$25,000	$382,422	Yes
Change	**2,693**	**15,445**	**18,138**	**Nil**	**$201,624**	-

George M. Schneider
Age: 53
Sundre, Alberta
Director Since: May 18, 2006

Mr. Schneider is a corporate director and president of Schneider Investments Inc. He is the former President and Chief Operating Officer of Laird Electric Inc., which was acquired by the Corporation in 2003. Mr. Schneider has over 23 years of industrial operational experience, focussed primarily in serving major participants in the oils sands and power generation projects in the Fort McMurray and Edmonton regions of Alberta. While in Fort McMurray, Mr. Schneider served on the board of the Fort McMurray Construction Association for eight years, including four years as the President of that association.

Board/Committee Member at December 31, 2013	Meeting Attendance:	Attendance (Total):		Other Public Board Memberships in Previous Five Years:
Board Human Resources and Compensation Health, Safety and Environment (Chair)	9 of 9 4 of 4 2 of 2	15 of 15	100%	None

Securities Held (at a price of $9.44 and $8.70 per Common Share as at December 31, 2013 and December 31, 2012, respectively):

Year	Shares	DSUs	Total Shares and DSUs	Principal Amount of Debentures	Total Market Value of Shares, DSUs & Debentures	Meets Equity Holding Requirements
2013	87,606	32,962	120,568	Nil	$1,138,162	Yes
2012	87,606	22,004	109,610	Nil	$953,607	Yes
Change	**Nil**	**10,958**	**10,958**	**Nil**	**$184,555**	-

Skills and Experience of the Nominated Directors

The Corporation believes that a board of directors with a diverse set of skills is better able to oversee the wide range of issues that arise in a company of Churchill's size and complexity. The following matrix illustrates the overall experience of the nominated Directors in a variety of categories that are important to Churchill's business. It also identifies which skills the Board would ideally possess and which will be considered when Churchill recruits new Directors and proposes changes to the composition of the Board.

Name of Director	Financial Literacy	Operational Expertise	Public Company Board	Executive Compensation	Corporate Governance	Capital Markets	Health, Safety and Environment Management	Risk Management	Government and Public Affairs	Oil and Gas Industry	Construction / Engineering Industry	Legal
Richard T. Ballantyne	√	√	√				√		√	√	√	
Albrecht W.A. Bellstedt	√		√	√	√	√		√	√	√		√
Chad Danard	√		√	√	√	√		√		√		
Rod W. Graham	√	√	√	√	√	√	√	√		√	√	
David J. LeMay	√	√		√		√	√	√		√	√	
Wendy L. Hanrahan	√			√	√					√		
Carmen R. Loberg	√	√	√	√	√	√	√	√	√			
Ian M. Reid	√	√	√	√	√	√	√	√		√	√	
George M. Schneider	√	√		√			√				√	

Additional Disclosure Relating to Directors

No proposed Director has, within the 10 years prior to the date of this Circular, been a director or executive officer of any company that (i) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for more than 30 consecutive days, (ii) was subject, after the proposed Director ceased to be a director or executive officer, to a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for more than 30 consecutive days that resulted from an event that occurred while that person was active in the capacity of director or executive officer, or (iii) during the tenure of the Director or executive officer or within one year of the Director or executive officer ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except as set forth below:

Director	Entity	Description
Albrecht W.A. Bellstedt	Sun Times Media Group, Inc.	Mr. Bellstedt ceased being a director of Sun Times Media Group, Inc. (formerly Hollinger International Inc.) in June of 2008. Sun Times Media Group, Inc. went into Chapter 11 bankruptcy protection under the U.S. Bankruptcy Code in 2009.

No proposed Director has, within 10 years prior to the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed Director.

ABOUT THE BOARD OF DIRECTORS

The Board

The Board of Directors is elected by the Shareholders. The Board has explicitly assumed responsibility for the stewardship of the Corporation. The primary responsibility of the Board is to supervise the management of the business and affairs of the Corporation. The members of the Board fulfil their responsibilities by delegating authority to Management to conduct the day-to-day business of the Corporation, preparing for and attending regularly scheduled Board meetings, through participation in meetings of the Board's Committees and actively pursuing education about the business, its markets, its competitive landscape and its stakeholder interests. At meetings of the Board, Directors receive and review reports prepared by Management on the business, affairs and financial performance of the Corporation. The Board also receives periodic updates as to general developments and trends in the industry and on matters of specific concern to the Board. Questions and issues of strategic importance or impact on the Corporation or its operations are brought forward by Management for the review, consideration and input of the Board prior to any decision being made. All Committee recommendations are reviewed and, if considered appropriate, approved by the Board.

The Board met nine times during the year ended December 31, 2013. Of these meetings, seven were held in person and two were held by teleconference.

The Board has a written mandate (the "**Board Mandate**"), which it reviews on a periodic basis. A copy of the Board's mandate is attached as Schedule "A" to this Circular. The Board mandate has been approved by the Board. The Board and the President and Chief Executive Officer have developed a written position description and objectives for the President and Chief Executive Officer. This position description is reviewed by the Governance and Nominating Committee on a periodic basis and updated accordingly.

Chairman

The primary responsibility of the Chairman of the Board is to provide leadership to the Board to enhance overall board effectiveness. The Board has developed a written position description for the Chairman. This written position description is reviewed periodically by the Board and, if necessary, updated accordingly. The responsibilities of the Chairman include:

- Acting as an advisor to the President and Chief Executive Officer of the Corporation and as a communication link between the Board and Management through the President and Chief Executive Officer.

- Establishing procedures to govern the Board's work including the location and time of meetings of the Board and the procedures to be followed with respect to meetings of the Board, including determining who may be present at such meetings in addition to the Directors and Corporate Secretary.

- Ensuring the Board has adequate resources, especially by way of full, timely and relevant information, to support its decision-making requirements.

- Working with the chairs of the Board Committees to coordinate the schedule of meetings for such Committees.

- Ensuring that delegated Committee functions are carried out and reported to the Board.

- Attending, as required, all meetings of Board Committees.

- Meeting periodically with the President and Chief Executive Officer of the Corporation, the Chair of the Corporate Governance and Nominating Committee and the Corporate Secretary to review governance issues including the level of communication between Management and the Board.

- Carrying out such other duties as may be reasonably requested by the Board as a whole, depending on its evolving needs and circumstances.

Board Committee Composition

The Board has an Audit Committee, a Corporate Governance and Nominating Committee, a Human Resources and Compensation Committee and a Health, Safety and Environment Committee. There were no changes to the membership of any of the Committees during the year ended December 31, 2013, other than Mr. Reid left the Audit Committee and joined the Human Resources and Compensation Committee and Mr. King joined the Corporate Governance and Nominating Committee. The Board of Directors does not have an Executive Committee because the Board feels its members and the members of its Committees are responsive enough to address important issues as they arise. The memberships of each of the Committees are described below:

Name of Director	Audit Committee	Corporate Governance & Nominating Committee	Health, Safety & Environment Committee	Human Resources & Compensation Committee
Richard T. Ballantyne	√		√	
Albrecht W.A. Bellstedt(1)				
Rod W. Graham	√		√	
Wendy L. Hanrahan	√			√ (Chair)
Harry A. King	√	√(2)		
Carmen R. Loberg			√	√
Allister J. McPherson	√ (Chair)	√		
Ian M. Reid	√(3)	√ (Chair)		√(3)
George M. Schneider			√ (Chair)	√
Brian W.L. Tod		√		√

Notes:
(1) Mr. Bellstedt is an ex-officio non-voting member of every Committee.
(2) Mr. King joined the Corporate Governance and Nominating Committee on May 23, 2013.
(3) Mr. Reid left the Audit Committee and joined the Human Resources and Compensation Committee on May 23, 2013.

It is expected that Mr. Danard will serve on the Audit Committee and the Human Resources and Compensation Committee.

Audit Committee

The Audit Committee is responsible for approving, maintaining, evaluating, advising and making recommendations on matters affecting internal and external audits, financial reporting and accounting control policies and practices of the Corporation. The Audit Committee has a policy which mandates regular *in camera* meetings with the external Auditor without members of Management being present. The Audit Committee also conducts regular *in camera* meetings with the Corporation's internal auditor and separately with Management. Audit Committee information as required by National Instrument 52-110 *Audit Committees* ("**NI 52-110**") is contained in the Corporation's Annual Information Form for the financial year ended December 31, 2013 under the heading "Audit Committee". The Audit Committee Terms of Reference are attached as a schedule to the Corporation's Annual Information Form, which is available under the Corporation's SEDAR profile at www.sedar.com.

All of the members of the Audit Committee are considered by the Board to be independent. See the section of this Circular entitled "Director Independence" for further details. All of the members of the Audit Committee are also considered to be "financially literate" as required by the Canadian Securities Administrators. The Board has approved a position description for the Chair of the Audit Committee.

Corporate Governance and Nominating Committee

The function of the Corporate Governance and Nominating Committee is to oversee the corporate governance practices of the Corporation, including Board practices and performance, and to make recommendations with respect to nominating new Directors to the Board. These responsibilities include:

- Assessing the requirements for membership on the Board; maintaining a roster of candidate Directors; and managing the process for nominating candidates for Board and Committee membership.

- Assessing and making recommendations regarding Board effectiveness and overseeing the processes for orientation, evaluation and continuing education of Directors, Committee Chairpersons and the Chair of the Board.

- Ensuring processes and procedures are in place to achieve timely and appropriate compliance with all public company regulatory requirements; assessing the recommendations of the Toronto Stock Exchange (the "**TSX**") and other regulatory bodies to consider and adopt those recommendations which are appropriate for, and will be of benefit to, the stakeholders of the Corporation.

- Reviewing and monitoring governance practices of the Board and Management with a view to enhancing the Corporation's performance.

All of the members of the Corporate Governance and Nominating Committee are considered by the Board to be independent. See the section of this Circular entitled "Director Independence" for further details. The Board has not approved a specific position description for the Chair of the Corporate Governance and Nominating Committee. Instead, the Board delineates the roles and responsibilities of the Chair pursuant to the general Committee chair responsibilities set out in the Board's Standing Committees of the Board General Terms of Reference, which provides, among other things, that the Chair of each Committee will: (a) provide leadership to enhance the effectiveness of the Committee; (b) ensure that the responsibilities and duties of the Committee, as outlined in its terms of reference, are well understood by the Committee members and executed as effectively as possible; (c) foster ethical decision-making by the Committee and its individual members in accordance with the Corporation's *Director Code of Ethics*; (d) ensure that the Committee meets in accordance with the frequency outlined in the applicable terms of reference, any specific guidelines in the Committee's terms of reference, and as many additional times as may be necessary to carry out its duties effectively; (e) establish the agenda for each Committee meeting together with the Chairman of the Board, the Corporate Secretary and members of Management, as appropriate; (f) Chair all meetings at which he or she is present; (g) ensure there is sufficient time during Committee meetings to discuss fully the agenda items and facilitate discussion with a view to bringing matters to resolution as required; (h) encourage Committee members to ask questions and express viewpoints; (i) ensure that the Committee meets on a regular basis without any member of Management; (j) report to the Board as to Committee activities on a regular basis; (k) encourage presentations from Management, as appropriate, to support the work of the Committee; and (l) carry out other appropriate duties and responsibilities as delegated by the Committee.

A complete copy of the terms of reference of the Corporate Governance and Nominating Committee is attached as Schedule "B" to this Circular.

Human Resources and Compensation Committee

The Human Resources and Compensation Committee is responsible for assisting the Board in fulfilling its responsibilities by: (a) reviewing and making recommendations on its findings and conclusions on matters relating to the compensation of the members of the Corporation's executive team and the Directors in the context of the budget, business plan and competitive environment of the Corporation; (b) assessing the risk of the design of the Corporation's compensation policies and practices; (c) conducting/assisting in the regular reviews/appraisals of the President and Chief Executive Officer and other members of the executive team; and (d) reviewing appropriate succession plans for senior officers.

All of the members of the Human Resources and Compensation Committee are considered by the Board to be independent. See the section of this Circular entitled "Director Independence" for further details. The Board has not approved a specific position description for the Chair of the Human Resources and Compensation Committee. Instead, the Board delineates the roles and responsibilities of the Chair pursuant to the general Committee chair responsibilities set out in the Board's Standing Committees of the Board General Terms of Reference. See the section of this Circular entitled "About the Board of Directors – Corporate

Governance and Nominating Committee" for further details regarding the Board's Standing Committees of the Board General Terms of Reference.

A complete copy of the terms of reference of the Human Resources and Compensation Committee is attached as Schedule "C" to this Circular.

Health, Safety and Environment Committee

The function of the Health, Safety and Environment Committee is to assist the Board in fulfilling its oversight responsibilities with respect to the Corporation's health, safety and environmental systems. These responsibilities include:

- Ensuring that health, safety and environmental risks from the Corporation's operations have been reasonably identified and their consequential risks to the Corporation and its stakeholders have been evaluated and mitigated.

- Reviewing the Corporation's health, safety and environmental policies and, if appropriate, making recommendations to the Board with respect thereto.

- Assessing whether the Corporation's health, safety and environmental policies are effectively implemented, complying with any applicable legislation and conforming to industry standards.

- Reviewing corporate health, safety, environmental activities and performance, including instances of contravention or non-compliance.

- Reviewing the Corporation's method of communicating (internally or externally) health, safety and environmental policies, practices and procedures.

- Reviewing the Corporation's response procedures to the identified health, safety and environmental risks and/or actual events.

- Ensuring that appropriate reporting procedures are established relating to health, safety and environmental matters by Management to ensure adequate reports are made to the Committee and/or the Board on a regular basis.

- Reviewing, in consultation with the Audit Committee, insurable risks related to health, safety and environmental issues and evaluating cost/insurance benefits associated with those risks.

All of the members of the Health, Safety and Environment Committee are considered by the Board to be independent. See the section of this Circular entitled "Director Independence" for further details. The Board has not approved a specific position description for the Chair of the Health, Safety and Environment Committee. Instead, the Board delineates the roles and responsibilities of the Chair pursuant to the general Committee chair responsibilities set out in the Board's Standing Committees of the Board General Terms of Reference. See the section of this Circular entitled "About the Board of Directors – Corporate Governance and Nominating Committee" for further details regarding the Board's Standing Committees of the Board General Terms of Reference.

A complete copy of the terms of reference of the Health, Safety and Environment Committee is attached as Schedule "D" to this Circular.

Orientation and Continuing Education

The Board has a formal policy regarding the orientation and continuing education of its Directors. This policy describes an orientation program for new Directors in regard to the role of the Board and its Committees, provides an overview of the business and the corporate strategy of the Corporation and provides information on the particular role of the individual Directors. The policy also outlines a framework for continuing education of Directors in regards to corporate governance, business issues and personal development.

The orientation program for new Directors is facilitated by existing members of Management and the Board. All new Directors are provided with a Directors' manual which includes the Corporation's most recent significant public disclosure documents, current strategic plan, budget documents, minutes from recent Committee and Board meetings, the articles of incorporation and bylaws of the Corporation, copies of key corporate policies, each Committee's terms of reference and directors and officers insurance. This manual is updated on an ongoing basis. Prior to or shortly after joining the Board, each new Director attends at the Corporation for an orientation session to meet the functional heads of the organization. Each new Director is also given the opportunity to meet with the Corporation's independent external Auditor.

Directors are regularly updated by Management on the Corporation's activities and operations. There are a number of regularly scheduled Committee and Board Meetings where topics for presentation and discussion include among others, financial and operational reviews; public disclosure; safety matters; legal claims and litigation; acquisition and divestiture opportunities; strategic planning; investor relations; internal audit matters and succession planning. Typically, Board materials include information relating to current regulatory, accounting and financial issues and the Directors normally discuss such issues at the Board and Committee level. As appropriate, independent external Auditor, independent compensation consultants, legal counsel, economists or investment banking professionals may be invited to attend a portion of a Board meeting to make a presentation on a specific topic for the education of the Board or one or more of its Committees. Board members are also invited to visit work sites and attend office tours of other locations managed or operated by the Corporation. These tours and site visits typically arise in connection with meetings of the Health, Safety and Environment Committee. These meetings are regularly held at offsite locations in order to help the Directors learn more about their oversight responsibility for the Corporation's overall operations, with a particular focus on the health, safety and environmental policies impacting the Corporation and its stakeholders.

The Corporation has an approved policy of full Board member enrolment with the Institute of Corporate Directors and pays the membership dues for each Director. The Institute of Corporate Directors provides relevant educational publications and learning opportunities for Board members. The Corporation also has an approved policy of paying for any education courses for any members of the Board relating to corporate governance, financial literacy, risk management or other relevant matters.

Board Retirement Policy

The Board has implemented a formal policy which requires that Directors tender their resignations to the Chair of the Corporate Governance and Nominating Committee and the Chair of the Board upon reaching the age of 70. The tendered resignation is then discussed among the members of the Corporate Governance and Nominating Committee, which then makes a recommendation to the full Board in respect thereof. The full Board will then meet *in camera* without the Director in question being present and will make a decision as to whether to accept the resignation or reject the resignation and ask the Director to remain on the Board. In accordance with the Corporation’s retirement policy, Mr. Harry A. King and Mr. Allister J. McPherson will be retiring from the Board at the termination of the Meeting.

Director Performance Assessment

The Corporation has formal, informal and self-performance evaluation processes for its Directors. The Corporate Governance and Nominating Committee has oversight responsibility for this process, which includes: (a) the completion of an assessment of the Chair of the Board by each Director; (b) the completion of a Board and Board Committee performance assessment by each Director; (c) an annual verbal discussion between each Director and the Chair of the Corporate Governance and Nominating Committee and the Chair of the Board; and (d) a review of the results of the performance assessments by both the Corporate Governance and Nominating Committee and the full Board.

Nomination of Directors

The Corporate Governance and Nominating Committee, which is comprised entirely of independent Directors, is responsible for developing and updating a long-term plan for the composition of the Board that takes into consideration the current strengths, competencies, skills and experience of the Board members, retirement dates and the strategic direction of the Corporation. In fulfilling its mandate, the Committee undertakes on an annual basis an examination of the size of the Board, with a view to determining the impact of the number of Directors, the effectiveness of the Board, and recommends to the Board, if necessary, a reduction or increase in the size of the Board. In this regard, the Governance and Nominating Committee is responsible for: (a) determining the criteria, profile and qualifications for new nominees to fill vacancies on the Board; (b) identifying, interviewing and recruiting such new nominees as may be required; and (c) recommending to the Board the Directors any new nominees to be nominated for election at the annual general meeting of Shareholders. The Corporate Governance and Nominating Committee maintains a list of potential Director candidates and updates that list on an ongoing basis.

Majority Voting Policy

On December 11, 2012, the Board reviewed and adopted a majority voting policy on the recommendation of the Corporate Governance and Nominating Committee. Under this policy, a Director who is elected in an uncontested election with more votes withheld than cast in favour of his or her election will be required to tender his or her resignation to the Chairman of the Board.

The resignation will be effective when accepted by the Board. The Corporate Governance and Nominating Committee will consider the resignation and make its recommendation to the Board on whether the resignation should be accepted. The Board expects that resignations will be accepted unless there are extenuating circumstances that warrant a contrary decision. The Board will announce its decision via press release within 90 days of the meeting at which the election was held. Subject to any corporate law restrictions, the Board may leave any resultant vacancy unfilled until the next annual Shareholders' meeting or it may fill the vacancy through the appointment of a new Director whom the Board considers to merit the confidence of Shareholders or it may call a special meeting of Shareholders to fill the vacant position or positions.

Director Independence

The Corporation has incorporated into its Director selection and analysis process the independence requirements set out in National Instrument 58-101 *Disclosure of Corporate Governance Practices* and NI 52-110. Each of the Director nominees meets those regulatory standards governing independence and is considered by the Board to be independent, with the exception of Mr. LeMay. All of the members of the Board's Committees are independent. The Corporation typically conducts an annual independence evaluation of each of its Directors immediately prior to the release of the Corporation's audited financial results.

Board Access to Senior Management

Board members have complete access to Management, subject to reasonable advance notice to the Corporation and reasonable efforts to avoid disruption to the Corporation's business and operations. These meetings are also facilitated as part of at least two formal gatherings each year to which both the Directors and Management are invited.

Independent Judgement

All Board members are expected to exercise independent and reasoned judgement on all matters. In accordance with applicable law, when a conflict of interest arises that involves a Director, that Director is required to disclose the conflict of interest and refrain from voting on the matter in question. In addition, the Board has directed that the Corporate Governance and Nominating Committee monitor conflicts of interest. Any transaction that may give rise to a conflict of interest must be reviewed by the Corporate Governance and Nominating Committee.

Interlocking Directorships and Number of Boards

Messrs. Bellstedt and McPherson are both directors of Capital Power Corporation. Messrs. Reid and Bellstedt are both directors of Canadian Western Bank. There are no other interlocking directorships among the Corporation's Directors. The Corporation does not have a policy regarding interlocking directorships nor does it limit the number of Boards that a Director may sit on.

Ethical Business Conduct

The Board has developed a written Director Code of Ethics. Compliance with the code is monitored by the Corporate Governance and Nominating Committee. The code addresses conflict of interest, use of corporate assets, confidentiality and compliance with laws and regulations. The code also describes a process to disclose any potential conflicts of interest and to ensure independent judgment regarding Board discussions and decision making. If the Board is making decisions that could give rise to a conflict of interest with respect to a particular Director, then that Director must disclose his conflict, withdraw from deliberations altogether and must not vote on any motion pertaining to the issue. A copy of this code has been filed under the Corporation's profile on SEDAR at www.sedar.com. A paper copy of the Code of Ethics may be obtained by contacting the Corporation's Vice President, General Counsel and Corporate Secretary at 400-4954 Richard Road S.W., Calgary, Alberta, T3E 6L1.

The Board has also approved a written code of business conduct and ethics for Churchill's employees and a corporate-wide Whistleblower Policy. This code and policy are comprehensive and address issues such as unethical behaviour and unprofessional conduct in addition to financial and accounting matters.

Meeting Attendance

Regular Board and Committee meetings are scheduled at least one year in advance in order to optimize attendance. Attendance is expected for all Board and Committee meetings. Members of Management and certain other outside advisors are invited to join Board and Committee meetings when appropriate. Directors are also expected to attend the Meeting. All Directors attended the Annual General Meeting of the Corporation held in 2013. Directors have a standing invitation to attend all Committee Meetings, regardless of membership.

Non-attendance at Board and Committee meetings is rare, usually when either an unexpected commitment arises, or, for newly appointed Directors, there is a prior scheduling conflict with a meeting that was previously scheduled and could not be rearranged. Directors are generally provided with meeting materials several days in advance of meetings. Board and Committee members are also expected to adequately prepare prior to all meetings and contribute effectively to Board and Committee discussions.

The following table provides the record of attendance by each Director at required meetings of the Board and its Committees during the financial year ended December 31, 2013:

Director Name	Board Meetings (Total #)	Audit Committee Meetings (Total #)	Corporate Governance and Nominating Committee Meetings (Total #)	Human Resources and Compensation Committee Meetings (Total #)	Health, Safety & Environment Committee Meetings (Total #)	% Attendance
Richard T. Ballantyne(1)	3 of 3	2 of 2	-	1 of 1	1 of 1	100%
Albrecht W.A. Bellstedt (Chair)(2)	8 of 9	-	-	-	-	89%
Rod W. Graham(3)	3 of 3	2 of 2	-	-	1 of 1	100%
Wendy L. Hanrahan	9 of 9	4 of 4	-	4 of 4	-	100%
Douglas J. Haughey(4)	6 of 6	-	-	-	-	100%
David J. LeMay(5)	3 of 3	-	-	-	-	100%
Harry A. King(6)	9 of 9	4 of 4	1 of 1	-	-	100%
Carmen R. Loberg	9 of 9	-	-	4 of 4	2 of 2	100%
Allister J. McPherson	9 of 9	4 of 4	3 of 3	-	-	100%
Ian M. Reid (Vice Chair)(7)	8 of 9	1 of 2	2 of 3	1 of 1	-	80%
George Schneider	9 of 9	-	-	4 of 4	2 of 2	100%
Brian W. L. Tod	9 of 9	-	3 of 3	4 of 4	-	100%

Notes:

(1) Mr. Ballantyne was elected to the Board on May 23, 2013.
(2) Mr. Bellstedt is an ex-officio non-voting member of every Committee.
(3) Mr. Graham was elected to the Board on May 23, 2013.
(4) Mr. Haughey resigned from the Board on May 31, 2013.
(5) Mr. LeMay was appointed to the Board on June 1, 2013.
(6) Mr. King joined the Corporate Governance and Nominating Committee on May 23, 2013.
(7) Mr. Reid left the Audit Committee and joined the Human Resources and Compensation Committee on May 23, 2013.

In Camera Sessions

In Camera Sessions without Management and non-independent Directors are held at each regularly scheduled Board and Committee meeting. At each other meeting of the Board, the Directors determine whether or not there is a reason to hold a session without Management present. The Chair of the Board of Directors or the Chair of the particular Committee, as the case may be, presides over these sessions and informs Management about what was discussed and if any action is required.

COMPENSATION OF DIRECTORS

Philosophy and Objectives

The Board, with input from the Human Resources and Compensation Committee has been responsible for developing and implementing the Directors' compensation plan. The Human Resources and Compensation Committee has sought advice in this regard from its primary independent compensation advisors, originally being Hay Group Limited ("**Hay Group**") from 2009 to December 19, 2012 and since then being Towers Watson Canada Inc. ("**Towers Watson**"). The main objectives of the Directors' compensation plan are to:

- recruit and retain qualified individuals to serve as members of the Board and contribute to the overall success of the Corporation;

- align the interests of the Directors with those of the Shareholders by requiring that Directors hold a multiple of their annual retainer in Common Shares or Common Share equivalents; and

- compensate the Directors in a manner that is competitive with other comparable public issuers and commensurate with the risks and responsibilities assumed in Board and Committee membership.

Unlike compensation for the Named Executive Officers (as defined herein under the section entitled "2013 Executive Compensation and Related Matters – Named Executive Officers"), the Directors' compensation plan is not designed to pay for performance; rather, Directors receive retainers for their services and an annual grant of Deferred Share Units ("**DSUs**") in order to help ensure unbiased decision-making. Equity ownership, required through ownership guidelines, serves to align the Directors' interests with the interests of the Shareholders. Consistent with the philosophy described above, the non-Management Directors of the Corporation do not receive grants of PSUs or RSUs (as those terms are defined herein) under the Unit Plan (as defined herein). Non-Management Directors are not eligible to receive grants of options under the Stock Option Plan. The options held by the non-Management Directors all expired out-of-the-money in March 2013.

Periodic Compensation Review

The Human Resources and Compensation Committee conducts a periodic review of Director compensation. This review normally takes place at the November meeting of the Human Resources and Compensation Committee. The 2013 Director compensation review was undertaken by the Human Resources and Compensation Committee at its meeting in November 2012. The Human Resources and Compensation Committee used the services of Hay Group to assist it in its review.

Choice of Comparator Group

Compensation data based on a comparator peer group (the "**Director Comparator Group**") is used to assess the market competitiveness of Churchill's Director compensation practices and levels. The Director Comparator Group set out in the table below was originally approved by the Human Resources and Compensation Committee in 2009, amended in 2011 and was again used for the purposes of the 2013 Director compensation review. The Director Comparator Group was chosen because: (a) these entities have similar annual revenues to those of the Corporation; (b) these entities have a business presence in Western Canada; and (c) certain of these entities have a comparable focus in the construction, resources, engineering and equipment services industries.

Aecon Group Inc.	Flint Energy Services Ltd.
Sherritt International Corp.	Trican Well Service Ltd.
Precision Drilling Corp.	Stantec Inc.
IAMGOLD Corp.	Pengrowth Energy Corp.
CanWel Building Materials Group Ltd.	Petrobank Energy & Resources Ltd.
Bird Construction Inc.	Bonavista Energy Corp.
North American Energy Partners Inc.	Newalta Corp.
GLV Inc.	Toromont Industries Ltd.
Capital Power Corp.	WSP Global Inc.
Vicwest Inc.	

Positioning Relative to the Comparator Group

After choosing the Director Comparator Group, the Human Resources and Compensation Committee considered where within that group Director compensation should be positioned. The Human Resources and Compensation Committee, with the assistance of Hay Group, elected to target Director compensation levels at between the 50th and 75th percentile of the Director Comparator Group.

2013 Director Compensation

After reviewing the relative positioning of the current Director compensation relative to the Director Comparator Group, the Human Resources and Compensation Committee decided not to recommend to the Board any changes to Director compensation for 2013. The compensation levels for 2011, 2012 and 2013 are set out below in more detail under the sections entitled “Retainers and Fees” and “Summary Compensation Table - Directors”.

Components of the Director Compensation Program

The Director compensation program is comprised of the following components:

- an annual retainer;
- an additional retainer if the Director serves as a Committee Chair, the Chair of the Board or the Vice Chair of the Board;
- an attendance fee for each Board and Committee meeting attended by the Director (other than the Chair of the Board in the case of Committee meeting fees);
- if applicable, a travel fee for each Board and Committee meeting attended by the Director; and
- a quarterly grant of DSUs.

The Corporation also reimburses Directors for all reasonable travel and other out-of-pocket expenses related to their duties.

Deferred Share Units

The Board has approved the implementation of a Deferred Share Unit Plan (the “**DSU Plan**”) providing for the issuance of DSUs to employees of the Corporation and Directors. The purpose of the DSU Plan is: (i) to enhance the Corporation's ability to attract, retain and reward non-Management Directors to serve as Directors; (ii) to reward and retain employees; (iii) to provide to non-Management Directors and employees a tax deferred capital accumulation opportunity through deferral of compensation; and (iv) to more closely align the interests of non-Management Directors and employees of the Corporation with the Shareholders.

A DSU tracks the value of one Common Share. DSUs provide the holder with the right to receive a cash payment equal to the value of a Common Share multiplied by the number of DSUs in the holder's account when a non-Management Director or employee ceases to be employed by the Corporation. When a Director resigns from the Board, or an employee ceases to be employed by the Corporation, he or she must elect to receive payment of his or her DSU account by no later than the first business day in December of the first calendar year following the calendar year in which he or she ceased to be engaged by the Corporation (the “**Settlement Date**”). The cash value of a DSU will be the weighted average trading price of the Common Shares on the TSX for the five consecutive trading days immediately preceding the Settlement Date. The cash value of a DSU redeemed on December 31, 2013 would have been $9.29.

DSUs carry no voting rights and cannot be transferred, other than in the case of death of the holder. DSUs are granted on the last day of the fiscal quarter. The number of DSUs issued to each Director is calculated by dividing the dollar value that the Director is entitled to receive by the weighted average trading price of the Common Shares for the five consecutive trading days immediately preceding the date of grant. The number of DSUs held by a holder will be adjusted for any dividend payments or any change in the Corporation's outstanding Common Shares that occurs by reason of any stock split, consolidation or other corporate change.

DSUs are granted to Directors on the last day of each quarter in accordance with the terms of the DSU Plan. Directors are also entitled to elect to receive up to 100% of their annual cash retainer and Board and Committee meeting fees in the form of DSUs. The following table sets out: (a) the names of the Directors who have currently elected to receive DSUs in lieu of the payment of cash fees; (b) their respective percentages of their annual cash retainer that they have elected to receive in the form of DSUs; and (c) the dollar value of such fees credited in the form of DSUs for 2013.

Director	% of Annual Retainer Elected to Receive in the Form of DSUs	Total 2013 Fees Credited in the Form of DSUs ($)
Wendy L. Hanrahan	50	17,500
Carmen Loberg	50	15,000
Ian M. Reid	50	32,500

Retainers and Fees

The table below sets out the fees that the Directors were entitled to receive in each of 2011, 2012 and 2013. Mr. Haughey, who resigned as a Director and the Chief Executive Officer of the Corporation effective May 31, 2013, and Mr. LeMay, who was appointed a Director and President and Chief Executive Officer of the Corporation effective June 1, 2013, did not receive compensation for acting as a Director. Accordingly, the disclosure set forth below does not refer to any compensation paid to Mr. Haughey or Mr. LeMay in their capacity as Directors and only refers to the other, non-Management Directors of the Corporation. For further information on the compensation paid to Mr. Haughey and Mr. LeMay in their capacity as members of Management, please refer to the section entitled "2013 Executive Compensation and Related Matters".

Annual Retainer	**2013**	**2012**	**2011**
Board Chair Retainer	$120,000	$120,000	$120,000
Board Vice Chair Retainer	$30,000	$30,000	$30,000
Board Member Retainer, excluding Board Chair	$30,000	$30,000	$30,000
Audit Committee Chair Retainer	$10,000	$10,000	$10,000
Other Committee Chair Retainer	$5,000	$5,000	$5,000
Committee Member Retainer	$0	$0	$0
Attendance Fees (per meeting)			
Board Meetings (in-person)(1)	$1,500	$1,500	$1,500
Committee Meetings (in-person)(1) (2)	$1,500	$1,500	$1,500
Travel Time	Up to $1,000	Up to $1,000	Up to $1,000
Annual Value DSUs(3)			
Board Members	$80,000	$80,000	$80,000
Chair of the Board	$100,000	$100,000	$100,000

Notes:
(1) Directors who attend Board or Committee meetings held by conference call are entitled to receive 50% of the normal meeting fee.
(2) The Chair of the Board is not entitled to receive a fee for attendance at Committee meetings.
(3) DSUs are granted to the Directors in pro-rated amounts on the last day of each quarter. Please refer to the section of this Circular entitled "Compensation of Directors – Deferred Share Units" for further details on the manner in which DSUs are awarded and redeemed.

Summary Compensation Table - Directors

The table below sets forth all compensation paid to each non-Management Director of the Corporation for the financial year ended December 31, 2013. The total remuneration paid to the non-management Directors in 2013 was $1,419,334.

Name	Fees Earned(1) ($)	Share-Based Awards(2) ($)	Option-Based Awards ($)	Non-Equity Incentive Plan Compensation ($)	Pension Value ($)	All Other Compensation ($)	Total ($)
Richard T. Ballantyne	37,500	46,667	Nil	Nil	Nil	Nil	84,167
Albrecht W.A. Bellstedt	141,000	100,000	Nil	Nil	Nil	Nil	241,000
Rod W. Graham	29,500	46,667	Nil	Nil	Nil	Nil	76,167
Wendy L. Hanrahan	59,000	80,000	Nil	Nil	Nil	Nil	139,000
Harry A. King	64,500	80,000	Nil	Nil	Nil	Nil	144,500
Carmen R. Loberg	53,500	80,000	Nil	Nil	Nil	Nil	133,500
Allister J. McPherson	69,500	80,000	Nil	Nil	Nil	Nil	149,500
Ian M. Reid	87,500	80,000	Nil	Nil	Nil	Nil	167,500
George M. Schneider	62,000	80,000	Nil	Nil	Nil	Nil(3)	142,000
Brian W. L. Tod	62,000	80,000	Nil	Nil	Nil	Nil(4)	142,000

Notes:

(1) This column reflects the total fees earned by each of the Directors pursuant to each Director's entitlement to: (a) annual retainers; (b) meeting fees; (c) Chair retainers; and (d) travel time. Ms. Hanrahan and Messrs. Loberg and Reid have all elected to receive a portion of their annual retainer in the form of DSUs in lieu of cash. Please refer to the section of this Circular entitled "Compensation of Directors – Deferred Share Units" for further information regarding the election of these Directors to receive DSUs in lieu of certain cash fees.

(2) This column references the grant date fair value of the total number of DSUs issued to each Director, being equal to the quarterly issuance of DSUs to every Director. This column does not include DSUs issued to Directors who have elected to receive DSUs in lieu of certain cash fees. The value disclosed in this column is based on the weighted average share price of Common Shares for the five days prior to the date of grant, multiplied by the number of units granted. These amounts do not include DSUs awarded in respect of dividend equivalents paid on outstanding DSUs.

(3) Mr. Schneider owns Schneider Investments Inc., which has a 50% interest in a company that owns a building which is leased to the Corporation. The amounts paid in respect to the rental of the building are not included in the table. See the section entitled "Interest of Informed Persons in Material Transactions" for further details of the arrangement.

(4) The Corporation paid legal fees during the most recently completed financial year to Miller Thomson LLP, a law firm with which Mr. Tod is a former partner. Mr. Tod retired from the partnership at Miller Thomson LLP on June 30, 2011.

Outstanding Option-Based Awards and Share-Based Awards

The table below sets forth details of all awards outstanding for each non-Management Director as at December 31, 2013.

	Option-Based Awards				Share-Based Awards		
Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date	Value of Unexercised in-the-Money Options ($)	Number of Shares or Units of Shares that have not vested(1) (#)	Market or Payout Value of Share-Based Awards that have not vested ($)	Market or Payout Value of Share-Based Awards that have not Paid Out or Distributed(2) ($)
Richard T. Ballantyne	Nil	N/A	N/A	N/A	Nil	Nil	47,474
Albrecht W.A. Bellstedt	Nil	N/A	N/A	N/A	Nil	Nil	382,772
Rod W. Graham	Nil	N/A	N/A	N/A	Nil	Nil	47,474

Wendy L. Hanrahan	Nil	N/A	N/A	N/A	Nil	Nil	331,455
Harry A. King	Nil	N/A	N/A	N/A	Nil	Nil	306,218
Carmen R. Loberg	Nil	N/A	N/A	N/A	Nil	Nil	388,637
Allister J. McPherson	Nil	N/A	N/A	N/A	Nil	Nil	306,218
Ian M. Reid	Nil	N/A	N/A	N/A	Nil	Nil	436,128
George M. Schneider	Nil	N/A	N/A	N/A	Nil	Nil	306,218
Brian W.L. Tod	Nil	N/A	N/A	N/A	Nil	Nil	306,218

Notes:

(1) The Directors are awarded DSUs as part of their compensation package. DSUs have no vesting conditions attached to them when issued, although they only pay out after the date upon which the Director ceases to be engaged by the Corporation. Please see the section of this Circular entitled "Compensation of Directors – Deferred Share Units" for further details.

(2) Represents the cash value of DSUs held by each Director as at December 31, 2013. The amounts have been calculated based upon each DSU having a value of $9.29, being the weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding December 31, 2013.

Incentive Plan Awards - Value Vested or Earned During the Year

The table below provides details of the value of option-based and share-based awards that vested during the financial year ended December 31, 2013 and the value of annual incentive awards earned during 2013 for each of the Directors, other than Mr. LeMay.

Name	Option-based awards- Value vested during the year ($)	Share-based awards – Value vested during the year(1) ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Richard T. Ballantyne	Nil	46,667	Nil
Albrecht W.A. Bellstedt	Nil	100,000	Nil
Rod W. Graham	Nil	46,667	Nil
Wendy L. Hanrahan	Nil	97,500(2)	Nil
Harry A. King	Nil	80,000	Nil
Carmen R. Loberg	Nil	95,000(2)	Nil
Allister J. McPherson	Nil	80,000	Nil
Ian M. Reid	Nil	112,500(2)	Nil
George M. Schneider	Nil	80,000	Nil
Brian W. L. Tod	Nil	80,000	Nil

Notes:

(1) Includes the value of DSUs awarded to each of the Directors for the year. The DSUs are fully-vested when issued, but are not paid out until the Director ceases to be engaged by the Corporation. See the section of this Circular entitled "Compensation of Directors – Deferred Share Units" for further details. These amounts do not include DSUs awarded in respect of dividend equivalents paid on outstanding DSUs.

(2) The amounts referenced for these Directors are higher because each elected to receive a certain portion of his or her annual retainer and/or meeting fees in the form of DSUs in lieu of cash. Please refer to "Compensation of Directors – Deferred Share Units" for further details.

Director Equity Ownership Guidelines

The Board believes that appropriate equity ownership by non-Management Directors further aligns their interests with those of the Shareholders. Accordingly, on November 3, 2009, the Board of Directors approved Director equity ownership guidelines as recommended by the Human Resources and Compensation Committee. Those guidelines provide that each Director, other than the President and Chief Executive Officer of the Corporation, who is subject to the share ownership guidelines for senior Management of the Corporation, is required to accumulate at least three (3) times the value of his or her annual Director retainer in securities of the Corporation (which include Common Shares, DSUs and other equity and debt-based instruments of the Corporation) by the third anniversary of becoming a Director. If the annual Director retainer is increased, Directors who would otherwise have met the guidelines as at their guideline achievement date but would not meet the guideline on the effective date of such increase in the retainer, will be required to increase their investment. The amount of the required increase is the amount that is the difference between three times the new annual Director retainer and the greater of original cost or current value of the Director's holdings. This increased investment must be achieved by the date that is one year after the effective date of the increase. The greater of the original cost and current market value of the securities shall be used for the purposes of determining whether the investment guidelines have been achieved. As at December 31, 2013, all of the Directors met the equity ownership guidelines.

EXECUTIVE COMPENSATION DISCUSSION AND ANALYSIS

This Executive Compensation Discussion and Analysis explains the Corporation's compensation program, 2013 performance and compensation decisions made by the Human Resources and Compensation Committee and the Board for the named executive officers during the 2013 financial year, being Douglas J. Haughey as former Chief Executive Officer, David J. LeMay as President and Chief Executive Officer and former Chief Operating Officer, Daryl E. Sands as Executive Vice President and Chief Financial Officer, Donald P. Pearson as President and Chief Operating Officer of Stuart Olson Dominion Construction Ltd., Al Miller as President and Chief Operating Officer of Canem Systems Ltd. and Allan Tarasuk as President and Chief Operating Officer of Churchill Services Group Inc. (collectively, the "**Named Executive Officers**").

Oversight Responsibility

The Board has the ultimate responsibility for overseeing the Corporation's executive compensation program. Although the Board has delegated certain oversight responsibilities of this program to the Human Resources and Compensation Committee, it retains final authority over some aspects of the compensation program and process. This authority includes the design, implementation, recommendation and, subject to the plans and agreements in place, the amendment of the executive compensation arrangements.

The Human Resources and Compensation Committee consists of five independent Directors who have the appropriate mix of skills and experience in management, business, industry, human resources and public accountability for carrying out their responsibilities, and to allow them to make decisions regarding the suitability of the Corporation's compensation policies and practices. See "About the Nominated Directors – Skills and Experience of the Nominated Directors" for further details on the skills and experience of each of the members of the Human Resources and Compensation Committee. As at December 31, 2013, the members of the Human Resources and Compensation Committee were Wendy Hanrahan (Chair), Carmen Loberg, Ian Reid, George Schneider and Brian Tod. The Human Resources and Compensation Committee also draws upon the experience of the President and Chief Executive Officer and Chairman on matters that fall within their respective areas of experience.

Independent Advice

The Corporation engaged Hay Group in 2009 as an advisor to the Human Resources and Compensation Committee to assist it in respect of various compensation-related matters including, identifying appropriate comparator companies against which to evaluate the Corporation's compensation levels, providing data about those companies and providing observations and recommendations with respect to the Corporation's compensation practices relative to that comparator group. The Human Resources and Compensation Committee of the Board engaged the services of Towers Watson in December of 2012 to assist it in its review of the Corporation's short, medium and long-term incentive plans. The Human Resources and Compensation Committee then elected to have the Corporation retain Towers Watson as the primary compensation advisor to the Human Resources and Compensation Committee because it believed it would provide high quality independent advice.

Management has worked with both Hay Group and Towers Watson to review and, where appropriate, develop and recommend compensation programs that ensure the Corporation's practices are competitive with market practices and meet the needs of the Corporation's business. Hay Group and Towers Watson have also provided independent advice to the Human Resources and Compensation Committee on the policy recommendations prepared solely by Management, as required, and have kept the Human Resources and Compensation Committee apprised of market trends in executive compensation.

For the purposes of 2013 compensation, the Chair of the Human Resources and Compensation Committee, in consultation with Management, reviewed and approved the scope of activities of Towers Watson related to executive compensation. Any services and fees not related to executive compensation must be approved by the Human Resources and Compensation Committee.

Executive Compensation – Related Fees

The table below sets forth the aggregate fees paid to Hay Group in 2012 for the services provided in that year. No services were provided by Hay Group to the Corporation in 2013. Other than as described in the table, no other services were provided to the Corporation by Hay Group in either of 2012 or 2013.

Type of Fee – Hay Group	2013	2012
Consulting to the Human Resources and Compensation Committee – Executive Compensation Assessment, Meeting Preparation and Updates	Nil	$14,000
Consulting to Management – Miscellaneous Consulting(1)	Nil	$4,043
Total	**Nil**	**$18,043**

Note:
(1) The miscellaneous consulting work relates to the periodic review of job descriptions and market comparative data for such positions.

The table below sets forth the aggregate fees paid to Towers Watson in 2013 for the services provided in that year. No services were provided by Towers Watson to the Corporation in 2012. Other than as described in the table, no other services were provided to the Corporation by Towers Watson in either of 2012 or 2013.

Type of Fee – Towers Watson	2013	2012
Consulting to the Human Resources and Compensation Committee – Incentive Plan Design, Severance and Change of Control Research, Performance Peer Group Assistance, Technical Research and Select Market Pricings	$138,770	Nil
Consulting to Management – Miscellaneous Consulting(1)	$22,633	Nil
Total	**$161,403**	**Nil**

Note:
(1) The miscellaneous consulting work relates to stock option valuation assistance, relative total shareholder return guidelines and modelling and various technical research.

Compensation Philosophy

The Corporation's executive compensation program has the following objectives:

- provide a compensation package that rewards individual performance contributions in the context of overall business results;
- be competitive in level and form with the external market;
- align the interests of executives with those of Shareholders; and
- support the attraction, engagement and retention of executives.

The compensation program is also designed to align with the Corporation's business plans and risk management framework to provide an appropriate balance between risk and executive rewards.

Risk Management

Compensation oversight includes ensuring that executives are compensated fairly in a way that achieves an appropriate balance in relation to the overall business strategy and does not encourage an executive to expose the Corporation to excessive or inappropriate risks. The Board reviews the Corporation's compensation policies and practices every year and considers the related risks, and makes any adjustments it deems necessary to ensure that such policies and practices are not likely to have a material adverse effect on the Corporation. The Board carries out this work through the Human Resources and Compensation Committee, although it retains final authority in respect of compensation-related decisions.

The Corporation's compensation program, through the combination of short, medium and long-term incentives, provides that a significant portion of each executive's annual compensation be "at-risk". Consequently, the following highlights the compensation practices and policies of the Corporation that have been implemented to effectively identify and mitigate compensation risks and to encourage participants in the Corporation's executive incentive program (the "**EIP**"), including the Named Executive Officers, to balance risk and rewards according to established processes and procedures in order to make quality business decisions:

- Benchmarking to ensure fairness: Compensation levels are generally reviewed every year, and benchmarked against comparator groups to assess competitiveness and fairness. See "Executive Compensation Discussion and Analysis – Compensation Approval Process" for further details on the Corporation's compensation approval process.
- Independent advice: The Board and its Human Resources and Compensation Committee use Towers Watson, an external compensation consultant, to conduct a competitive compensation review of the Corporation's senior executive positions on a periodic basis. This provides the Human Resources and Compensation Committee and the Board with a market

reference point when assessing individual performance in the context of overall corporate performance. See "Executive Compensation Discussion and Analysis – Independent Advice" for further details on the engagement of Towers Watson.

- A balanced scorecard: The Board uses a balanced scorecard which sets out pre-established corporate and individual performance objectives every year for each EIP participant. The objectives set out in the scorecard for each executive are linked to the overall strategic direction and annual objectives of the Corporation. The scorecard provides the basis for assessing the individual's performance and related compensation, and each executive agrees to those objectives in that scorecard in advance of the relevant financial year, and such scorecards are sometimes updated during the year to reflect changes in circumstances. See "Executive Compensation Discussion and Analysis – Determination of Individual, Business Unit and Overall Corporate Performance" for further details on the use of the balanced scorecard.

- Emphasis on medium and long-term incentives: The Human Resources and Compensation Committee and the Board place significant emphasis on medium and long-term incentives when determining the total compensation for EIP participants. Such incentives include RSUs, PSUs (as those terms are defined in the section entitled "Executive Compensation Discussion and Analysis – Description of Components of Compensation – Equity Based Incentives") and options. These incentives encourage value creation over the medium and long term and align executives' interests with those of Shareholders. See "Executive Compensation Discussion and Analysis – Description of Components of Compensation – Equity Based Incentives" for further details on the operation of the MTIP and LTIP (as those terms are defined in the section entitled "Executive Compensation Discussion and Analysis – Description of Components of Compensation – Equity-Based Incentives").

- Performance-based compensation: PSU awards under the MTIP are paid out based on the Corporation's relative performance against the PSU Comparator Group over a three-year performance period and the value of the Common Shares when the PSUs vest at the end of that period. See "Executive Compensation Discussion and Analysis – Description of Components of Compensation – Equity Based Incentives – MTIP (Unit Plan)" for further details on the vesting criteria attaching to the PSUs issued pursuant to the MTIP.

- Fixed limits on variable compensation payments: Payouts for short-term incentive compensation are fixed at a percentage of the executives' base salaries and, as of 2013, subject to an overall affordability pool determined based on financial performance. Payouts on PSU awards made: (a) prior to December 31, 2013 are limited to a maximum payout of 150% of the PSUs awarded at the time of grant; and (b) after December 31, 2013 are limited to a maximum payout of 200% of the PSUs awarded at the time of grant.

- Discretion: The Board completes a formal assessment, and can then use its judgement to increase or decrease any compensation awards if it deems it appropriate based on market factors or other extenuating circumstances.

- Anti-derivative policy: The Corporation's Insider Trading Policy includes a provision which prohibits Directors and employees of the Corporation from purchasing or selling derivatives in respect of any security of the Corporation. This includes "puts" and "calls" on the Corporation's securities. Similarly, the Corporation prohibits Directors and its employees from short selling its securities. The Corporation does not have a policy pertaining to the purchase by a Director or an employee of other financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities.

- Equity ownership requirements and participation: The Corporation has implemented equity ownership requirements for the Directors, the Named Executive Officers and the other Presidents of the Corporation's operating companies and encourages all of its employees to become owners of the Corporation through the purchase of Common Shares pursuant to the ESPP (as defined herein) and, prior to January 1, 2013, through the purchase of DSUs pursuant to the DSU Plan. This equity participation reflects the belief that Directors and the employees of the Corporation can best represent the interests of Shareholders more effectively if they have a significant investment in the Corporation. See "Compensation of Directors – Director Equity Ownership Requirements" and "Executive Compensation Discussion and Analysis – Executive Equity Ownership Guidelines" for further details on the equity ownership requirements for Directors and Named Executive Officers, respectively. Also see "Executive Compensation Discussion and Analysis – Description of Components of Compensation – Other Compensation Plans" for further details on employee participation in the DSU Plan and the Employee Share Purchase Plan.

- Modelling stress testing: At the request of the Human Resources and Compensation Committee, the Corporation introduced in 2013 stress testing of various compensation scenarios and potential future executive compensation. This includes an analysis of the potential effect of different corporate performance scenarios on previously awarded and outstanding compensation to assess whether the results are reasonable.

- Corporate culture and core values: The Corporation fosters a strong culture which defines the character of the organization. That culture is founded upon key core values, which include acting with integrity, respecting and trusting people, demonstrating innovation and entrepreneurial spirit, striving for excellence and prioritizing safety, health and the environment. These values guide ethical behaviour by facilitating and rewarding leadership, transparency and honesty.

- Codes of ethics: The Corporation has adopted codes of ethics that apply to both Directors and employees of the Corporation. These codes incorporate principles of good conduct and ethical and responsible behaviour to guide decisions and actions. See the section entitled "About the Board of Directors – Ethical Business Conduct" for further details on the relevant codes of ethics and whistleblower policy that apply to the Directors and the Corporation's employees.

After considering the implications associated with the Corporation's compensation policies and practices and completing a review of those policies and practices as described above, the Board believes that:

(a) the Corporation has the proper practices in place to effectively identify and mitigate potential risk; and

(b) the Corporation's policies and practices do not encourage any Director, any member of the Corporation's executive leadership team, or any employee to take inappropriate or excessive risks, and are not likely to have a material adverse effect on the Corporation.

Compensation Approval Process

The compensation approval process begins with Management's analysis of the compensation levels of each of the Corporation's executives. In preparing this analysis, Management considers a number of factors, including:

(a) external compensation surveys and other market data, including the Balanced Comparator Group (as defined below) approved annually by the Human Resources and Compensation Committee;

(b) individual, business unit and overall corporate level performance data;

(c) succession planning for key positions within the Corporation; and

(d) the President and Chief Executive Officer's recommendations with respect to compensation levels for his direct reports.

Management then prepares a report to the Human Resources and Compensation Committee based upon its analysis. The report prepared by Management includes compensation recommendations for all members of the EIP, including the Named Executive Officers. The EIP participants include senior executives responsible for leading the Corporation's operating and strategic plans and other junior executives who have been identified as key for succession planning purposes. The EIP participants are eligible to receive annual cash bonuses and performance-based, equity-related incentive compensation. As at December 31, 2013, there were 26 EIP participants.

In making its recommendations, the Human Resources and Compensation Committee considers: (a) the overall financial and operating performance of the Corporation; (b) the Management report; (c) the President and Chief Executive Officer's assessment of the performance of, and recommended compensation for, each executive; (d) the advice from its external consultant in regard to the external forces driving compensation trends applicable to the Corporation; and (e) the individual experience, judgment and assessment of each of its members. In the case of the compensation of the President and Chief Executive Officer, the Human Resources and Compensation Committee considers relevant market data, performance against pre-determined corporate and individual objectives and other factors in assessing CEO compensation levels.

After completing its review, the Human Resources and Compensation Committee presents its recommendations to the full Board in respect of the compensation levels of the Named Executive Officers as well as the total compensation amounts for the other EIP participants.

Determination of Individual, Business Unit and Overall Corporate Performance

The Board of Directors annually approves individual and corporate objectives set out in the form of a balanced scorecard for each Named Executive Officer. The scorecards typically include objectives for each of the following:

- the performance of the Corporation as a whole, which typically includes reference to earnings, backlog, safety improvements and specific corporate milestones that contribute to achievement of the Corporation's strategic plan;

- the individual executive's business unit, which typically includes reference to earnings before taxes, cash expenses, backlog, safety improvements and specific business unit milestones that contribute to achievement of the business unit and/or corporate strategic objectives; and

- the individual executive, which typically includes reference to leadership activities that add value to the organization.

Specific targets, as well as threshold and maximum measures, are set for each objective. Performance objectives are given weightings within the scorecard based upon their relative importance to the Corporation with higher weightings typically being given to financial metrics of backlog and earnings objectives.

The scorecard results are reviewed at the completion of each year. Each objective is rated on a scale of between 0% and 200% as set out in the table below.

Performance Objective	Balanced Scorecard Rating
Threshold	Results in a score of 50%; however, below this value results in a score of 0%
Target	Results in a score of 100% (Above Threshold and below Target results interpolated)
Stretch	Results in a score of 200% (Above Target and below Stretch Target results interpolated)

This rating is generally used as the basis for the determination of STIP-related compensation. However, in 2013, discretion was applied to reduce the scorecard ratings as a result of overall financial performance being below target and the Corporation having introduced the concept of an affordability pool for STIP. See the section of this Circular entitled "2013 Executive Compensation and Related Matters – Determination of Components of Compensation for the Financial Year Ended December 31, 2013 – STIP Analysis" for details regarding the other factors considered in making decisions pertaining to 2013 STIP payments.

Market Benchmarking and Comparator Group

Compensation data based on a comparator peer group is used to assess the market competitiveness of Churchill's total compensation levels and practices, including base pay, annual cash bonus and performance-based, equity-related incentive compensation. In 2010, the Human Resources and Compensation Committee, with advice from Hay Group, recommended that such peer group be expanded to include not only companies that are in a similar industry to Churchill but also companies that have a similar geographical presence and regularly compete for talent in Churchill's marketplace. By establishing a comparator peer group that is equally comprised of companies from the construction, building materials and energy service sectors and companies that have a major presence in western Canada, it is the view of the Human Resources and Compensation Committee that this reference group reasonably reflects the market in which Churchill competes for talent.

The peer group (the "**Balanced Comparator Group**") for competitive compensation comparative purposes for 2013 consisted of the following two groups of companies:

Group #1: Construction, building materials and energy services (supplier and industry competitors)	
Aecon Group Inc.	Bird Construction Inc.
Armtec Infrastructure Inc.	Flint Energy Services Ltd.
Lehigh Hanson, Inc.	Newalta Corp.
North American Energy Partners Inc.	CanWel Building Materials Group Ltd.
Shaw Group Limited	Trican Well Service Ltd.
Vicwest Inc.	

Group #2: Western Canada	
Canadian Forest Products Ltd.	Canadian Pacific Railway Ltd.
Canexus Corp.	Finning International Inc.
Goldcorp Inc.	IAMGold Corp.
Suncor Energy	Russel Metals Inc.
Sherritt International Corp.	Teck Resources Ltd.
Toromont Industries Ltd.	

The compensation data from the Balanced Comparator Group is the initial reference point for the Human Resources and Compensation Committee to assess the market competitiveness of an executive's total compensation. The total compensation an executive is awarded will vary based on an assessment of individual, business unit performance and overall corporate performance, and will generally be set in accordance with the following guiding principles:

Performance Assessment	Total Compensation
Exceeds Performance Objectives	Comparable to above-50th percentile and as high as the 75th percentile of the market data
Meets Performance Objectives	Comparable to 50th percentile market data
Below Performance Objectives	Comparable to below-50th percentile market data

Description of Components of Compensation

The Corporation generally targets an overall compensation package for its EIP participants, including the Named Executive Officers, comparable to the 50th percentile of the Balanced Comparator Group. The compensation package is heavily performance-based, such that it can fluctuate to as high as the 75th percentile in years of superior individual and corporate performance. That total compensation package includes a balanced set of elements designed to deliver the objectives of the compensation philosophy of the Corporation described under the section entitled “Executive Compensation Discussion and Analysis – Compensation Philosophy”. Those individual components include the following:

- base salary;
- short-term incentives (annual cash bonus and, as of 2013, supplemental Bridging RSUs); and
- equity-based incentives (options, PSUs and, in 2013, RSUs).

The Corporation also rewards its employees with group benefits plans and the ability to participate in the Employee Share Purchase Plan, the RRSP Program (as defined herein) and, prior to January 1, 2013, the DSU Plan.

The table set forth below summarizes the major components of the Corporation’s executive compensation program that were applicable in 2013. Each component is then further detailed in this section.

Component	Design Summary	Form	Objectives and Rationale
Base Salary	• Fixed rate of pay targeted comparable to the 50th percentile of the Balanced Comparator Group • Individual salary recommendations based on competitive assessment and economic outlook, leadership, retention and succession • Annual performance period	Cash	• Provide competitive level of fixed compensation • Recognize sustained individual performance

<table>
<tr><td>Short Term Incentive Program (STIP)</td><td>• Annual awards based on achievement of pre-determined corporate, business unit and individual objectives
• Annual performance period
• Overall affordability pool based on financial performance</td><td>Primarily cash and proportionately supplemented with Bridging RSUs</td><td>• Reward the achievement of a balanced set of annual corporate objectives
• Reward the achievement of personal objectives aligned with each employee’s area of responsibility and role in realizing operating results
• Drive superior corporate and individual performance
• Align interests of executives with Shareholders</td></tr>
<tr><td rowspan="2">Medium-Term Incentive Program (MTIP)</td><td>• Three year vesting
• Employees must remain in active service until the completion of the three year period</td><td>RSUs payable in cash</td><td rowspan="3">• Align interests of executives with Shareholders
• Reward the achievement of sustained financial performance
• Contribute to retention of talent
• Recognize individual contribution and potential</td></tr>
<tr><td>• Three year performance vesting based upon relative TSR of the PSU Comparator Group
• Employees must remain in active service until the completion of the three year performance period</td><td>PSUs payable in cash</td></tr>
<tr><td>Long-Term Incentive Program (LTIP)</td><td>• Conventional options that vest over three years at a rate of 1/3 per year
• Employees must remain in active service for vesting to occur
• Five year term for awards granted prior to March 1, 2013 and ten year term for awards granted after March 1, 2013</td><td>Options</td></tr>
</table>

Base Salary

Base salary is the fixed portion of an executive's total compensation designed to provide income certainty and attract and retain high performing executives.

Churchill uses a salary structure determined using competitive data in conjunction with detailed position descriptions. Each salary grade has a range that varies around the mid-point. In addition, base salary is established with reference to an executive's job responsibilities and the level of skills and experience required to successfully perform his or her role. Base salaries for the EIP participants are reviewed frequently in the context of total compensation and by reference to similar positions in the Balanced Comparator Group. Churchill's philosophy is to set salaries comparable to the 50th percentile of the Balanced Comparator Group depending on the experience and contribution of the individual. Base salary levels are meant to be competitive in the marketplace and are typically not set or adjusted based on accomplishing performance objectives.

Annual Short-Term Incentive

The Corporation's short term incentive plan (“**STIP**”) is designed to: (a) reward executives for their achievement of a balanced set of annual corporate objectives; (b) reward executives for their achievement of personal objectives aligned with each person’s area of responsibility and role in realizing operating results; (c) align executives’ interests with those of Shareholders; and (d) drive superior corporate and individual performance. The STIP awards are generally paid in cash and, since 2013, have been supplemented through the issuance of Bridging RSUs (as defined below). See the section of this Circular below entitled “Executive Compensation Discussion and Analysis – Description of Components of Compensation – Equity Based Incentives” for a more detailed description of the Bridging RSUs.

The Corporation amended the STIP in 2013 to establish a performance-based profit-sharing pool for all employees which is a fixed percentage of the Corporation’s earnings before bonus, interest, taxes, depreciation and amortization (“**EBBITDA**”) in the most recently completed fiscal year. At the end of each year, each executive’s STIP award is determined based upon the funding level of the performance-based profit-sharing pool divided by each executive’s notional award derived from his or her performance rating and pre-determined target STIP as a percentage of base salary. An individual executive’s STIP award target as a percentage of base salary is determined by the Human Resources and Compensation Committee in the context of its annual review of each executive’s total compensation pursuant to the philosophies described herein. Individual awards are determined by the results of the individual’s balanced scorecard and overall corporate financial performance. If the Corporation’s financial results are lower than target, the profit-sharing pool used for the STIP will decrease and if the Corporation’s financial results are exceptional, the profit-sharing pool and, correspondingly, each executive’s STIP award will increase. This methodology specifically links the value of each executive’s STIP award directly to the financial performance of the Corporation. The final STIP awards are recommended by the Human Resources and Compensation Committee and are subject to final Board approval.

The foregoing factors are also applicable in determining the President and Chief Executive Officer's STIP award.

Equity Based Incentives

The Corporation's medium-term incentive program (“**MTIP**”) and long-term incentive program (“**LTIP**”) are designed to: (a) attract and retain executives; (b) align executives’ interests with those of Shareholders; (c) in the case of the MTIP, motivate executives to achieve key medium-term business objectives; and (d) in the case of the LTIP, motivate executives to achieve long-term sustainable business objectives.

MTIP awards are comprised of performance share units (“**PSUs**”) and, as of 2013, restricted share units (“**RSUs**”).

The PSUs are issued pursuant to the Amended 2008 Executive Share Unit Plan (the “**Unit Plan**”) and have a performance period of three years from the date of grant with vesting at the end of the three year period subject to the achievement of certain pre-defined “corporate objectives”. The “corporate objectives” are set at the discretion of the Board upon the recommendation of the Human Resources and Compensation Committee and can be changed or modified. See the section immediately below entitled “MTIP (Unit Plan)” for further details on the vesting and payout conditions of the PSUs that are currently outstanding.

The RSUs were introduced in 2013 and are also issued substantially in accordance with the provisions of the Unit Plan. Similar to the PSUs, the RSUs vest over a period of three years. The value of each RSU is determined on the applicable vesting date based upon a weighted average trading price of the Common Shares; however, unlike the PSUs, the value of an RSU is not subject to the application of a performance hurdle or multiplier. The RSUs are subject to cliff-vesting on the date that is three years from the date of grant. In addition to the RSUs, the Corporation has issued since 2013 a modified form of RSUs (“**Bridging RSUs**”) in substitution for a portion of STIP that would otherwise have been paid in cash to employees of the Corporation. The Bridging RSUs are similar to the RSUs in most respects, other than that the Bridging RSUs vest on the first, second and third anniversaries of the date of grant of such Bridging RSUs in increments of 20%, 30% and 50%, respectively. See the section entitled “2013 Executive Compensation and Related Matters – Determination of Components of Compensation for the Financial Year Ended December 31, 2013 – STIP Results” for further details on the issuance of the Bridging RSUs in respect of 2013 performance.

LTIP awards are comprised of options to purchase Common Shares issued pursuant to the Amended 2007 Stock Option Plan (the “**Stock Option Plan**”) and typically vest in equal one third increments over three years. The options that were outstanding as at March 1, 2013 all expire five years from the original date of grant. The options granted after March 1, 2013 expire 10 years from the date of grant.

The Board grants MTIP and LTIP awards to executives in its sole discretion and upon the recommendation of the Human Resources and Compensation Committee. Generally, the MTIP and LTIP awards are determined as part of the annual deliberation process with respect to an executive's total compensation package. In that regard, target values of MTIP and LTIP awards are determined as a percentage of base salary for each executive and are set in the context of total compensation relative to similar positions in the Balanced Comparator Group. The Human Resources and Compensation Committee also considers Shareholder wealth protection, executive share ownership guidelines, executive retention risk as well as the dilution impact of the different long-term incentive vehicles. In exceptional circumstances the Human Resources and Compensation Committee may adjust the target award up or down and recommend such adjustment to the Board for approval.

Although MTIP and LTIP awards are typically made as part of the annual deliberation of compensation, there are certain occasions in which awards have been made outside that annual process such as for promotions or to recruit new senior executives to the Corporation. In recommending these grants, the Human Resources and Compensation Committee considers the level of responsibility of the proposed recipient within the Corporation and his or her ability to impact performance and growth in Shareholder value.

The recommendations of the Human Resources and Compensation Committee with regard to LTIP and MTIP awards are not contingent on the number, term or current value of other outstanding compensation previously awarded to an individual. The Human Resources and Compensation Committee believes that reducing or limiting current LTIP and MTIP awards because of prior grants would unfairly penalize the executive and reduce the motivation for continued high achievement. Similarly, the Human Resources and Compensation Committee does not purposely increase total longer-term compensation value in a given year to offset less-than-expected returns from previous awards.

MTIP (Unit Plan)

On March 2, 2009, the Board of Directors amended the terms of the Unit Plan to provide for cash, as opposed to Common Share, payouts upon vesting of executive share units (i.e. RSUs, PSUs and Bridging RSUs) issued under that plan. The amendments to the Unit Plan had the effect of allowing for the equivalent cash value of Common Shares to be paid to eligible participants upon vesting of the executive share units issued under that plan. All EIP participants are eligible to receive MTIP awards in accordance with the terms and conditions of the Unit Plan. Subject to the discretion of the Human Resources and Compensation Committee, when a participant's employment with the Corporation is terminated for cause or upon voluntary resignation, and if such termination does not constitute retirement, then all unvested executive share units are immediately terminated and cancelled. In the case of retirement, all outstanding executive share units continue to vest in the normal course and are not immediately terminated. See the section entitled “Executive Compensation Discussion and Analysis – Management Retirement Policy”. In the event of termination of an employee who holds executive share units as a result of: (a) a decision by the Corporation to terminate that employee without cause; (b) the employee’s death; or (c) the employees’ permanent disability, a prorated portion of the executive share units held by that employee immediately vest and are paid out within 90 days thereafter in accordance with the provisions of the Unit Plan. Prior to December 31, 2012, the Corporation had only issued PSUs pursuant to the Unit Plan. In 2013, the Board approved the creation and issuance of RSUs and Bridging RSUs. The Bridging RSUs were issued in substitution of a portion of 2012 and 2013 STIP payments. RSUs do not relate to prior year performance. See the section above entitled “Executive Compensation Discussion and Analysis – Description of Components of Compensation – Equity Based Incentives” for further details about the RSUs and the Bridging RSUs.

The PSUs issued pursuant to the Unit Plan relate to a performance period of up to three years from the date of grant with vesting at the end of the three year period subject to the achievement of certain “corporate objectives” determined at the time of the grant. The “corporate objectives” are approved at the sole discretion of the Board after considering the recommendations of the Human Resources and Compensation Committee. Although the determination of the “corporate objectives” is discretionary, all PSUs awarded prior to the Effective Date have had attached to them vesting and payout conditions, or “corporate objectives”, which incorporate the comparison of the three year comparative total shareholder return (being the appreciation in the price of the Common Shares plus any dividends paid in the period) (“**TSR**”) of the Corporation against the TSR of a competitive peer group (the “**PSU Comparator Group**”). The PSU Comparator Group is reviewed by the Human Resources and Compensation Committee at the time of grant of each tranche of PSUs. The TSR of the Corporation is reviewed against the TSR of the applicable PSU Comparator Group at the end of the three year performance period for each individual tranche of PSUs in order to determine the cash payout in respect of such tranche. The total cash payout is calculated by taking the twenty-day volume weighted average closing price of the Common Shares at the time of vesting and applying a multiplier dependent upon the ranking of the TSR of the Corporation as against the ranking of the companies included in the PSU Comparator Group. The multiplier applied to the value of the PSUs issued: (a) prior to December 31, 2013 is limited to a maximum payout of 150% of the PSUs awarded at the time of grant; and (b) after December 31, 2013 is limited to a maximum payout of 200% of the PSUs awarded at the time of grant.

PSU Comparator Group

The PSU Comparator Group applicable to all PSUs issued prior to January 1, 2013 is comprised of the following:

Aecon Group Inc.	Bird Construction Inc.
Emcor Group Inc.	Armtec Infrastructure Inc.
Vicwest Inc.	Gemini Corporation
Granite Construction Inc.	Canam Group Inc.
North American Energy Partners Inc.	Tutor Perini Corp.
Flint Energy Services Ltd.	

The Human Resources and Compensation Committee approved various amendments to the PSU Comparator Group prior to the issuance of PSUs in 2013. Those amendments were completed in order to ensure that the Corporation’s relative performance was being compared to the most appropriate peer group. The PSU Comparator Group set in 2013 continues to be applicable to all PSUs issued since January 1, 2013 and is comprised of a 50% weighting on the S&P/TSX Capped Industrial Index and a 50% weighting of the following six peers:

Aecon Group Inc.	WSP Global Inc.
Bird Construction Inc.	Stantec Inc.
IBI Group Inc.	North American Energy Partners Inc.

LTIP (Stock Option Plan)

The executives and other employees of the Corporation and its subsidiaries are eligible to participate in the Stock Option Plan. As at the Effective Date, there were approximately:

(a) 1,656,544 Common Shares issuable upon the exercise of outstanding options; this represented 6.7% of the total number of issued and outstanding Common Shares as at the Effective Date; and

(b) 832,149 Common Shares remaining available for issuance under the Stock Option Plan; this represented 3.3% of the total number of issued and outstanding Common Shares as at the Effective Date.

A maximum of 2,488,693 Common Shares have been reserved for issuance under the Stock Option Plan, subject to the following limitations:

(a) the aggregate number of Common Shares reserved for issuance to any one person under the Stock Option Plan, together with all other security-based compensation arrangements of the Corporation, must not exceed 5% of the then outstanding Common Shares (on a non-diluted basis);

(b) in the aggregate, no more than 10% of the then outstanding Common Shares (on a non-diluted basis) may be reserved at any time for insiders under the Stock Option Plan, together with all other security-based compensation arrangements of the Corporation; and

(c) the number of securities of the Corporation issued to insiders, within any one year period, under all security-based compensation arrangements, cannot exceed 10% of the issued and outstanding Common Shares.

The exercise price per Common Share shall be fixed by the Board of Directors, but under no circumstances shall any exercise price at the time of the grant be lower than the "market price" (i.e. the five day volume weighted average trading price prior to the date of grant) of the Common Shares on the TSX or such other minimum price as may be required by any stock exchange on which the Common Shares are listed at the time of grant. The options that were outstanding as at March 1, 2013 all expire on the date that is five years from the original date of grant. The options granted after March 1, 2013 expire on the date that is 10 years from the date of grant. The Stock Option Plan includes a blackout provision. Pursuant to the policies of the Corporation respecting restrictions on trading, there are a number of periods each year during which Directors, officers and certain employees are precluded from trading in the Corporation's securities. These periods are referred to as "blackout periods". A blackout period is designed to prevent a person from trading while in possession of material information that is not yet available to other Shareholders. The Stock Option Plan includes a provision that should an option expiration date fall within a blackout period or within 10 business days following a blackout period, the expiration date will automatically be extended for ten business days following the end of the blackout period.

The Stock Option Plan permits a "cashless exercise" under which the Board may, from time to time in its sole discretion, permit vested options to be surrendered, unexercised to the Corporation by an option holder in consideration for the receipt by the option holder of an amount equal to the excess, if any, of the aggregate fair market value of the Common Shares able to be purchased pursuant to the vested and exercisable portion of the option over the aggregate option price for those Common Shares pursuant to those options. The inclusion of the "cashless exercise" feature is intended to make it easier for option holders to exercise their vested options without having to risk the subsequent sale of Common Shares into the market and to mitigate excessive dilution as a result of the issuance of Common Shares acquired pursuant to the exercise of options. On March 15, 2013, the Board resolved to indefinitely suspend the application of the "cashless exercise" feature of the Stock Option Plan.

The Stock Option Plan allows the Board to terminate or discontinue the Stock Option Plan at any time without the consent of the option holders provided that such termination or discontinuance shall not alter or impair any options previously granted.

The Stock Option Plan does not provide any specific vesting provisions for options granted thereunder. Any vesting provisions for options granted under the Stock Option Plan will be determined by the Board of Directors and set out in the agreements evidencing such options. Options granted under the Stock Option Plan are non-assignable, except in the case of the death of an optionee. In the event that an option holder ceases to be engaged by the Corporation as a result of voluntary termination by the option holder, all options held by that person shall be cancelled immediately. In the event that an option holder is terminated by the Corporation, the option holder has a period of 90 days in which to exercise any vested options and any unvested options are immediately cancelled. In the event of death or permanent disability of an option holder, all options held by that person vest immediately and the option holder or his or her estate, as the case may be, has a period of one year from the date of vesting to exercise such options. In the event that an option holder retires from the Corporation, any outstanding options held by that individual immediately vest upon retirement and retain the original expiration dates. See the section of this Circular entitled "Executive Compensation Discussion and Analysis – Management Retirement Policy" for a description of the management-related retirement policy of the Corporation. At the discretion of the Board of Directors, the expiry date may be extended; however, in no event will an option be exercisable at a date in excess of 10 years from the date of grant, without the approval of the TSX.

The Board of Directors may amend the Stock Option Plan and options granted under it, without Shareholder approval, provided that the Board shall not be permitted, in the absence of Shareholder and TSX approval to:

(a) reduce the exercise price or cancel and reissue options or other entitlements including those held by non-insiders of the Corporation;

(b) extend the expiry date of an option held by any insider of the Corporation (subject to such date being extended by virtue of the blackout provision noted above);

(c) amend the limitations on the maximum number of Common Shares reserved or issued to insiders;

(d) change the eligible participants under the Stock Option Plan, including permitting non-Management Directors of Churchill or its subsidiaries to participate in the Stock Option Plan;

(e) permit options granted under the plan to be transferable or assignable other than for normal estate settlement purposes;

(f) increase the maximum number of Common Shares issuable pursuant to the Stock Option Plan; or

(g) amend the amendment provisions of the Stock Option Plan.

The Stock Option Plan was last amended on March 10, 2010 and the unallocated options were approved by the Shareholders on May 23, 2013.

Other Compensation Plans

The following discussion pertains to the other compensation plans that are included as part of the total compensation package offered to EIP participants, including the Named Executive Officers.

DSU Plan

Up until December 31, 2012, Churchill offered its employees, including the Named Executive Officers, the ability to receive DSUs pursuant to the terms and conditions of the DSU Plan. Employees were entitled to elect to receive: (i) up to 25% of their annual base salary in the form of DSUs; (ii) up to 25% of their discretionary awards under the Corporation's STIP program in the form of DSUs; and (iii) grants of DSUs as part of their annual remuneration. DSUs issued pursuant to this program were immediately vested when issued; although they do not pay out until after the employee ceases to be employed by the Corporation. See "Compensation of Directors – Deferred Share Units" for further details pertaining to the DSU Plan. Churchill ceased offering this program to its employees on January 1, 2013.

Employee Share Purchase Plan

Churchill offers all of its employees, including the Named Executive Officers, the opportunity to invest in Common Shares through an employer matched share purchase plan (the "**Employee Share Purchase Plan**" or "**ESPP**"). Pursuant to the terms of the Employee Share Purchase Plan, Churchill matches an employee's contributions up to 5% of his or her base salary. The funds accumulate and are used to purchase Common Shares in the open market. Contributions are vested immediately. The plan is designed to provide employees with an ownership interest and motivate their actions towards maximizing Shareholder value. The participation rate in the plan was approximately 70% of salaried employees and approximately 33% of hourly employees as at December 31, 2013.

Group RRSP

Churchill offers most of its employees, including the Named Executive Officers (other than Mr. Miller), an opportunity to contribute to their retirement through an employee/employer Group Registered Retirement Saving Program ("**RRSP Program**"). Churchill matches employee contributions to the RRSP Program up to 5% of the employee's base salary. Contributions made by Churchill pursuant to the RRSP Program are vested immediately. The purpose of the RRSP Program is to encourage employees to save for retirement.

Group Benefits and Other Perquisites

The benefits and perquisites offered to the Named Executive Officers are designed to be competitive with the median level of the benefits offered by the Balanced Comparator Group and are periodically reviewed by the members of the Corporation's human resources department to ensure that they remain consistent with that objective. The benefit programs in which the Named Executive Officers participate include health, dental, life insurance and short and long-term disability programs.

Management Retirement Policy

The Corporation has implemented a formal retirement policy that applies to its employees. A revised version of the retirement policy was approved by the Board in 2013 upon the recommendation of the Human Resources and Compensation Committee. The policy provides that in order to be eligible for retirement an employee must: (a) be employed by the Corporation at the time he or she reaches the age of 60; and (b) have worked for the Corporation for a minimum of two consecutive years. Provided that the foregoing conditions are met, the retiring employee is entitled to retain all Bridging RSUs, RSUs, PSUs and options held at the time of retirement. All of such awards continue to be subject to the original vesting conditions at the time of award including, without limitation, the "corporate objectives" applicable to the PSUs. Any options outstanding expire on the earlier of: (a) five years from the date of grant; or (b) the original expiry date of such options. The policy also provides that any outstanding awards shall be cancelled in the event that the retired employee returns to work with a competitor of the Corporation. The foregoing policy applies to all employees of the Corporation, other than certain employees that continue to be subject to a previous version of the policy. That previous version was substantially similar to the current policy, other than that it applied to employees at the age of 55, instead of 60.

Executive Equity Ownership Guidelines

The Human Resources and Compensation Committee and the Board believe it is important that the Corporation's executives demonstrate their commitment to Churchill's stewardship through equity ownership. This equity investment is achieved by: (a) acquiring Common Shares in the open market, through the exercise of options or participation in the Employee Share Purchase Plan; (b) up until December 31, 2012, electing to receive DSUs in accordance with the DSU Plan; and (c) purchasing Debentures in the open market. The Board approved at its meeting on March 10, 2011, executive equity ownership guidelines for all Named Executive Officers as well as for the Presidents of each of the Corporation's operating subsidiaries. Those guidelines are as set out in the table below.

Position	**Minimum Equity Required**
President and Chief Executive Officer	Two times base salary
Chief Financial Officer	One and one half times base salary
President and COO, Stuart Olson Dominion Construction Ltd.	One and one half times base salary
President of each other operating subsidiary	One times base salary

The guidelines require that the above referenced equity levels be achieved within three years of the later of March 10, 2011 and the date upon which the relevant executive joined the Corporation or was appointed to his or her position. Equity valuations are based on the greater of cost or fair market value at year end. The table below sets out the market value of the equity held by each of the

Named Executive Officers, other than Mr. Haughey, as at both December 31, 2012 and December 31, 2013. Messrs. Sands and Miller have achieved their ownership targets. The other Named Executive Officers must meet their respective targets within three years from the date upon which the executive was appointed to his position. Mr. Pearson retired from the Corporation on December 31, 2013.

Named Executive Officer	Market Value at December 31, 2012(1)				Market Value at December 31, 2013(1)				Net Change ($)
	Common Shares ($)	DSUs ($)	Debentures ($)	Total Value at Risk ($)	Common Shares ($)	DSUs ($)	Debentures ($)	Total Value at Risk ($)	
David J. LeMay	157,635	19,793	Nil	177,428	260,912	22,835	Nil	283,747	106,319
Daryl E. Sands	433,930	56,533	40,000	490,463	516,170	65,212	40,000	621,382	130,919
Don P. Pearson	219,449	30,180	Nil	249,629	277,772	34,815	Nil	312,587	62,958
Al Miller	50,182	Nil	300,000	350,182	95,571	Nil	300,000	395,571	45,389
Allan Tarasuk	Nil	Nil	Nil	Nil	34,786	Nil	Nil	34,786	34,786

Note:

(1) Based on securities held at the end of the applicable year at a price of $9.44 and $8.70 per Common Share as at December 31, 2013 and December 31, 2012, respectively.

2013 EXECUTIVE COMPENSATION AND RELATED MATTERS

The Corporation's compensation program is designed to be market-based, pay for performance and align executive incentives with the Corporation's corporate objectives and overall strategy. This section, together with the section entitled "Executive Compensation Discussion and Analysis", explains the Corporation's executive compensation program, the Corporation's 2013 performance, the Human Resources and Compensation Committee and the Board assessment of corporate and executive performance, and related compensation decisions for the Named Executive Officers of the Corporation during the 2013 fiscal year.

2013 Corporate Performance

Highlights of the Corporation's 2013 financial performance include the following:

- Backlog increased 25% to a record $2,116.2 million.

- Annual earnings before interest, taxes, depreciation and amortization ("**EBITDA**") increased 5.4% to $41.1 million.

- Annual contract revenue was $1,106.5 million compared to $1,222.1 million in 2012. The decrease in contract revenue reflects the timing of major projects as General Contracting progressed through the pre-construction and early construction stages on several new projects. This was partially offset by year-over-year increases in Commercial Systems and Industrial Services revenue.

- Consolidated net earnings increased to $5.1 million in 2013, from a $62.3 million loss in 2012, yielding net earnings and diluted earnings per share of $0.21. Net earnings results in 2012 were negatively affected by an impairment loss of $64.6 million, which did not recur in 2013.

- The Corporation ended 2013 with a stronger balance sheet, reflecting improved cash management and long term debt reduction through the year.

Although the Corporation's 2013 financial performance was generally better than comparative performance in 2012, the results still failed to meet targets for the year.

Determination of Components of Compensation for the Financial Year Ended December 31, 2013

Base Salaries

The base salaries for each of the Named Executive Officers are determined in accordance with the philosophy described in the section of this Circular entitled "Description of Components of Compensation – Base Salary". As a result of the Corporation's financial performance, no base salary increases were awarded to the Named Executive Officers in 2013, other than in the case of Mr. LeMay as he was promoted to President and Chief Executive Officer. The differences between the base salaries of each of the Named Executive Officers as at December 31, 2012 and 2013 were as set out in the table below:

Named Executive Officer	Base Salaries As At December 31, 2013 ($)	Base Salaries As At December 31, 2012 ($)	Change ($)
Douglas J. Haughey	Nil(1)	525,000(1)	N/A
David J. LeMay	525,000(2)	450,000	75,000
Daryl E. Sands	396,550	396,550	Nil
Don P. Pearson	428,480	428,480	Nil
Al Miller	337,000	337,000	Nil
Allan Tarasuk	400,000	Nil	N/A

Notes:

(1) Mr. Haughey was appointed Chief Executive Officer of the Corporation effective August 9, 2012 and resigned effective May 31, 2013.

(2) Mr. LeMay was appointed President and Chief Executive Officer of the Corporation effective June 1, 2013, at which point his base salary was increased to $525,000.

(3) Mr. Tarasuk was appointed as the President and Chief Operating Officer of Churchill Services Group Inc. on February 4, 2013.

STIP Analysis

The STIP awards for 2013 for each of the Named Executive Officers, other than Mr. Haughey, were determined in accordance with the philosophies described in the section of this Circular entitled "Description of Components of Compensation – Annual Short-Term Incentive". Under the terms of his employment agreement Mr. Haughey was not entitled to receive an STIP payment for 2013. Mr. Haughey resigned as the Chief Executive Officer of the Corporation effective May 31, 2013.

The Human Resources and Compensation Committee began its analysis by reviewing the corporate, business unit and individual objectives of each of the Named Executive Officers entitled to receive an STIP payment for the 2013 fiscal year. In this regard, the primary focus of the Human Resources and Compensation Committee was the scorecard-based corporate objectives, which, together with the applicable results, are set out in detail below.

Corporate Performance Objective	Target	Actual Result
EBITDA	$55 million	$41.1 million
Backlog at year-end without a material reduction in margins	$2 billion	$2.1 billion
Total debt to EBITDA(1) ratio	1x	1.21x
Safety recordables: Operating Company recordable incident frequency targets	Four operating companies meet safety targets	Below target

Note:

(1) EBITDA for the purposes of this definition excludes stock-based compensation expense.

In addition, the Human Resources and Compensation Committee evaluated for each Named Executive Officer the results of the various individual and business unit orientated goals which aligned with the strategic and operational priorities related to his function. In regard to each Named Executive Officer's performance, the Human Resources and Compensation Committee considered the evaluation of the President and Chief Executive Officer as a key input.

STIP Results

Although the Corporation's 2013 financial performance was generally better than comparative performance in 2012, the results still failed to meet targets approved by the Board at the beginning of the year. The following table provides context for the performance objectives noted above as well as other factors considered by the Human Resources and Compensation Committee when making recommendations pertaining to 2013 STIP awards.

Objective	2013 Results
EBITDA	EBITDA increased 5.4% to $41.1 million, from $39.0 million in 2012. The higher EBITDA reflects improved project execution in each of Churchill's core segments. Despite the Corporation's higher EBITDA in 2013, it still failed to meet the $55 million target approved by the Board.
Backlog	Backlog increased 25% to $2,116.2 million as at December 31, 2013 from $1,650.5 million at December 31, 2012. The backlog consists of approximately 84% lower-risk contracts, including 59% construction management work and 25% cost-plus arrangements. Tendered (hard-bid) work represents approximately 16% of the backlog. The backlog at the end of 2013 was above target and at record levels for the Corporation. The Human Resources and Compensation Committee considered this a significant achievement in the year.
Total debt to EBITDA ratio	As at December 31, 2013, Churchill's total debt-to-EBITDA (excluding stock-based compensation expense) ratio was 1.21x, reflecting an improvement from 2012 of 1.54x. The 2013 result was marginally below target; however, the Human Resources and Compensation Committee acknowledged that the year-over-year improvement resulted in the Corporation having a stronger balance sheet due to improved cash management and long term debt reduction through the year.
Safety recordables	Although the actual safety-related results were slightly below target; the Human Resources and Compensation Committee acknowledged that the Corporation made significant progress in the continued development and refinement of the Corporation's safety programs.

Successful Leadership Transition	Churchill announced on May 23, 2013 that Mr. Haughey's term as Chief Executive Officer and a Director of the Corporation would conclude on May 31, 2013, and that he would be succeeded in that capacity by Mr. LeMay. Mr. LeMay was appointed a Director and President and Chief Executive Officer of the Corporation on June 1, 2013. The Human Resources and Compensation Committee viewed the leadership transition as being successful.
Surety Program	Churchill amended its Surety Program by replacing its former surety providers with Federal Insurance Company and Liberty Mutual Insurance Company with respect to the issuance of future performance and labour and material bonds as assurance against contract completion. The change to the surety program was considered by the Human Resources and Compensation Committee to be beneficial to the overall operation of the Corporation's business.
Back Office Centralization and General and Administrative Expense Reduction	The Corporation made significant progress in the centralization of its finance and payroll functions across several of its operating companies. These changes, together with other corporate rationalization activities, resulted in the Corporation significantly reducing its year-over-year general and administrative expenses. The Human Resources and Compensation Committee considered this a positive step towards the more efficient and flexible operation of the Corporation's business on a go-forward basis.

The scorecard results for each Named Executive Officer were calculated and then discretionary judgement based on a number of considerations was applied to reduce each Named Executive Officer's overall scorecard result by 10% and 15%. The discretionary factors considered include the significant degree to which financial results for the year were lower than target and the overall affordability of the STIP funding pool. The Human Resources and Compensation Committee also recognized that the financial performance of the Corporation had resulted, as it did in 2012, in the Corporation being in a position where funding all of the 2013 STIP payments with cash was not affordable. As a result, the Human Resources and Compensation Committee determined that it would not be in the best interests of the Corporation to make the 2013 STIP payments entirely in cash and, instead, elected to substitute a portion of the aggregate STIP amount that would otherwise have been paid in cash to employees of the Corporation with Bridging RSUs issued substantially in accordance with the Unit Plan. The 2013 cash STIP payment for each Named Executive Officer was reduced by approximately 30% and replaced with Bridging RSUs. Each $1.00 of reduced STIP was replaced with $1.25 worth of Bridging RSUs. The Human Resources and Compensation Committee determined that an increase of 25% was appropriate given that the Bridging RSUs are considered to be at risk and pay out over three years. See the section above entitled "Executive Compensation Discussion and Analysis – Description of Components of Compensation – Equity Based Incentives" for further details about the RSUs and the Bridging RSUs.

The table below details the input values used in respect of the calculation of the actual 2013 cash STIP award and Bridging RSUs values for each of the Named Executive Officers entitled to receive such payments:

Named Executive Officer	2013 Base Salary ($)	Target STIP as a % of Base Salary	Actual STIP as a % of Base Salary	2013 STIP ($)(1)	Value of Bridging RSUs Issued in Substitution for STIP ($)(2)	Actual 2013 Cash STIP ($)(3)
David LeMay	525,000	100	70	367,500	137,813	257,250
Daryl E. Sands	396,550	75	52.5	208,189	78,071	145,732
Don P. Pearson	428,480	75	16.3	70,000	Nil	70,000
Al Miller	337,000	65	83.5	281,479	76,849	220,000
Allan Tarasuk	400,000	75	56.3	225,000	85,219	156,825

Notes:

(1) The values in this column reflect the value of each Named Executive Officer's 2013 STIP after the discretionary adjustments made by the Human Resources and Compensation Committee, but prior the substitution of a portion of such value with Bridging RSUs.

(2) The values in this column reflect the value of the Bridging RSUs issued to the Named Executive Officers in substitution for reduced STIP values. The amounts noted include the 25% increase detailed in the paragraph immediately prior to the table.

(3) The values in this column reflect the actual cash STIP that each Named Executive Officer earned in respect of his 2013 performance.

Long-Term Incentives

The MTIP and LTIP awards that were granted in March of 2013 to each of the Named Executive Officers were determined based upon the philosophies described in the section of this Circular entitled "Description of Components of Compensation – Equity Based Incentives". In that regard, the base salary of each Named Executive Officer, other than Mr. Haughey, was multiplied by the target long-term incentive level for his respective position in order to arrive at the applicable MTIP and LTIP values. Mr. Haughey was not entitled to receive an LTIP award in 2013. The table below reflects the actual MTIP and LTIP awards made to each of the Named Executive Officers, other than Mr. Haughey, in 2013:

Named Executive Officer	MTIP		LTIP	
	Target MTIP Award as % of 2013 Base Salary	Actual 2013 MTIP Award $	Target LTIP Award as % of 2013 Base Salary	Actual 2013 LTIP Award $
David J. LeMay	62.5	303,398	62.5	303,398
Daryl E. Sands	52.5	208,189	52.5	208,189
Don P. Pearson	52.5	224,952	52.5	224,952
Al Miller	42.5	143,225	42.5	143,225
Allan Tarasuk	52.5	100,000	52.5	300,000

Summary Compensation Table

The following table sets forth certain information regarding compensation paid, payable, awarded, granted, given or otherwise provided during each of 2011, 2012 and 2013 to each of the Named Executive Officers. The total remuneration paid to the Named Executive Officers in the financial year ended December 31, 2013 was $6,154,837.

Name and Principal Position	Year	Salary ($)	Share-based awards(1) ($)	Option-based awards(2) ($)	Non-equity incentive plan compensation	Pension value	All other compensation(4) ($)	Total compensation ($)
					Annual incentive plans(3) ($)			
Douglas J. Haughey(5) Chief Executive Officer Churchill	2013 2012	242,308 183,750	Nil 1,200,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	242,308 1,383,750
David J. LeMay(6) President and Chief Operating Officer Churchill	2013 2012 2011	505,241 369,615 260,000	441,211 301,375 84,407	303,398 380,371 263,907	257,250 205,200 165,000	Nil Nil Nil	138,910 78,833 31,411	1,646,010 1,335,394 804,725
Daryl E. Sands Executive VP and Chief Financial Officer Churchill	2013 2012 2011	396,550 396,106 385,000	286,260 347,469 200,475	208,189 243,377 254,475	145,732 124,913 165,000	Nil Nil Nil	39,656 39,610 38,500	1,076,387 1,151,475 1,043,450
Don P. Pearson President and Chief Operating Officer Stuart Olson Dominion Construction Ltd.	2013 2012 2011	428,480 428,000 416,000	224,952 302,971 194,400	224,952 261,069 280,400	70,000 67,486 165,000	Nil Nil Nil	42,848 108,620 107,540	991,232 1,168,146 1,163,340
Al Miller President and Chief Operating Officer Canem Systems Ltd.	2013 2012 2011	337,000 337,000 325,000	220,074 244,407 209,000	143,225 178,751 209,000	220,000 97,475 200,000	42,000 34,000 31,000	29,450 29,450 28,850	991,749 921,083 1,002,850
Allan Tarasuk President and Chief Operating Officer Churchill Services Group Inc.	2013	346,154	207,094	300,000(7)	156,825	Nil	197,078	1,207,151

Notes:

(1) Represents the value of: (a) PSUs awarded pursuant to the MTIP in accordance with the Unit Plan as at the grant date; and (b) in the case of Messrs. LeMay, Sands, Pearson and Miller, Bridging RSUs awarded in lieu of STIP payments earned in respect of 2012 and 2013 performance as further described under the heading entitled "2013 Executive Compensation and Related Matters – Determination of Compensation for the Financial Year Ended December 31, 2013 - STIP". The value disclosed in this column is based on the weighted average share price of Common Shares for the five days prior to the date of grant, multiplied by the number of PSUs and RSUs granted. The Bridging RSUs held by the Named Executive Officers vest on the first, second and third anniversaries of the date of grant of such Bridging RSUs in increments of 20%, 30% and 50%, respectively. The PSUs vest and are payable three years from the date of grant, subject to the achievement of predetermined performance criteria. All grants were made at fair market value using the methodology described above. The actual value realized upon the future vesting and payment of such awards may be greater or less than the grant date

fair value indicated. See "Executive Compensation Discussion and Analysis – Description of Components of Compensation – Equity Based Incentives" for further details on the operation of the Unit Plan.

(2) Represents the fair value of options awarded pursuant to the LTIP in accordance with the Stock Option Plan as at the grant date. The key assumptions and estimates used in the Black Scholes model for the calculation of the grant date fair value of the options granted to: (a) Allan Tarasuk on February 8, 2013, include the weighted average expected option life of 7 years, the weighted average expected volatility of 46.21%, the weighted average expected dividend yield of 4.3% and a risk free rate of 1.31%; (b) all Named Executive Officers on April 1, 2013, include the weighted average expected option life of 7 years, the weighted average expected volatility of 53.55%, the weighted average expected dividend yield of 4.7% and a risk free rate of 1.51%; (c) all Named Executive Officers in 2012, include the weighted average expected option life of 4 years, the weighted average expected volatility of 50.32%, the weighted average expected dividend yield of 3% and a risk free rate of 1.5%; and (d) all Named Executive Officers in 2011, include the weighted average expected option life of 4 years, the weighted average expected volatility of 17.58%, the weighted average expected dividend yield of nil and a risk free rate of 2.29%. The actual value realized upon the future vesting and payment of such awards may be greater or less than the grant date fair value indicated.

(3) Represents the annual cash bonus awards earned by the Named Executive Officers in the applicable fiscal year. See the section entitled "2013 Executive Compensation and Related Matters – Determination of Compensation for the Financial Year Ended December 31, 2013 - STIP" for further details pertaining to the calculation of the 2013 cash STIP payment amounts.

(4) Other than as detailed in the section below entitled "Perquisites and Other Personal Benefits", perquisites and other personal benefits do not exceed the lesser of $50,000 and 10% of the total of the annual salary for the Named Executive Officers and are not reported.

(5) Mr. Haughey was appointed Chief Executive Officer of the Corporation effective August 9, 2012, and resigned on May 31, 2013.

(6) Mr. LeMay was appointed President and Chief Executive Officer of the Corporation effective June 1, 2013. Prior thereto, he served as President and Chief Operating Officer of the Corporation.

(7) Mr. Tarasuk was awarded 85,470 options having a value of $200,000 on February 8, 2013 as consideration for his agreeing to accept the role as the President and Chief Operating Officer of Churchill Services Group.

Perquisites and Other Personal Benefits

The table below sets out the details pertaining to the perquisites and other personal benefits awarded to each of the Named Executive Officers for 2011, 2012 and 2013.

Named Executive Officer	Year	Perquisites and Other Personal Benefits
Douglas J. Haughey	2013	Mr. Haughey did not receive any perquisites or other personal benefits from the Corporation in 2013.
	2012	Mr. Haughey did not receive any perquisites or other personal benefits from the Corporation in 2012.
David J. LeMay	2013	In 2013, Mr. LeMay received: (a) $25,262 in respect of matching contributions to the Corporation's RRSP Program; (b) $25,262 in respect of matching contributions to the ESPP; (c) $6,646 in respect of a car allowance; and (d) $81,740 in respect of accrued but unused vacation.
	2012	In 2012, Mr. LeMay received: (a) $18,481 in respect of matching contributions to the Corporation's RRSP Program; (b) $18,481 in respect of matching contributions to the ESPP; (c) $14,788 in respect of a car allowance; and (d) $27,083 in respect to relocation expenses.
	2011	In 2011, Mr. LeMay received: (a) $12,708 in respect of matching contributions to the Corporation's RRSP Program; (b) $12,708 in respect of matching contributions to the ESPP; and (c) $5,995 in respect of a car allowance.
Daryl E. Sands	2013	In 2013, Mr. Sands received: (a) $19,828 in respect of matching contributions to the Corporation's RRSP Program; and (b) $19,828 in respect of matching contributions to the ESPP.
	2012	In 2012, Mr. Sands received: (a) $19,805 in respect of matching contributions to the Corporation's RRSP Program; and (b) $19,805 in respect of matching contributions to the ESPP.
	2011	In 2011, Mr. Sands received: (a) $19,250 in respect of matching contributions to the Corporation's RRSP Program; and (b) $19,250 in respect of matching contributions to the ESPP.
Don P. Pearson	2013	In 2013, Mr. Pearson received: (a) $21,424 in respect of matching contributions to the Corporation's RRSP Program; and (b) $21,424 in respect of matching contributions to the ESPP.

	2012	In 2012, Mr. Pearson received: (a) $21,400 in respect of matching contributions to the Corporation's RRSP Program; (b) $21,280 in respect of matching contributions to the ESPP; and (c) $65,940 as a settlement amount agreed to in November 2008 in lieu of units that may otherwise have been awarded by the Corporation pursuant to a share unit plan that was approved by Shareholders in 2006, but never implemented by the Board or Management. Mr. Pearson elected to receive a settlement amount of $65,940 over five years which he is obligated to use to purchase Common Shares (the "**Pearson Settlement Arrangement**").
	2011	In 2011, Mr. Pearson received: (a) $20,800 in respect of matching contributions to the Corporation's RRSP Program; (b) $20,800 in respect of matching contributions to the ESPP; and (c) $65,940 pursuant to the Pearson Settlement Arrangement.
Al Miller	2013	In 2013, Mr. Miller received: (a) $16,850 in respect of matching contributions to the ESPP; and (b) $12,600 in respect of a car allowance.
	2012	In 2012, Mr. Miller received: (a) $16,850 in respect of matching contributions to the ESPP; and (b) $12,600 in respect of a car allowance.
	2011	In 2011, Mr. Miller received: (a) $16,250 in respect of matching contributions to the ESPP; and (b) $12,600 in respect of a car allowance.
Allan Tarasuk	2013	In 2013, Mr. Tarasuk received: (a) $150,000 in respect of a retention bonus; (b) $17,308 in respect of matching contributions to the Corporation's RRSP Program; (c) $17,308 in respect of matching contributions to the ESPP and (d) $12,462 in respect of a car allowance.

Pension Plan Benefits

The Corporation acquired indirect ownership of Canem Systems Ltd. ("**Canem**") pursuant to the Corporation's acquisition of Seacliff Construction Corp. in July of 2010. At that time, certain of Canem's employees, including Mr. Miller, were participants in Canem's defined benefit retirement plan (the "**Canem Plan**"). The Canem Plan is active in respect to its legacy participants, but is no longer available to new entrants. The following table sets out Mr. Miller's accrued benefits under the Canem Plan as at December 31, 2013.

Named Executive Officer	Number of years credited service	Annual benefits payable ($)		Opening present value of defined benefit obligation ($)	Compensatory change ($)	Non-compensatory change ($)	Closing present value of defined benefit obligation
		At year end	At age 65				
Al Miller	24.17	65,200	103,000	992,000	42,000	(72,000)	962,000

Outstanding Share-Based and Option-Based Awards

The following table sets forth for each of the Named Executive Officers all awards outstanding as at December 31, 2013 under the Stock Option Plan, as awards under the Stock Option Plan are considered "option-based awards" under applicable securities laws, and the Unit Plan, as awards of PSUs, RSUs and Bridging RSUs under the Unit Plan are considered "share-based awards" under applicable securities laws.

Named Executive Officer	Option-Based Awards(1)				Share-Based Awards		
	Number of Shares underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options(2) ($)	Number of shares or units of shares that have not vested (#)(3)	Market or payout value of share-based awards that have not vested(4) ($)	Market or payout value of vested share-based awards not paid out or distributed(5) ($)
Douglas J. Haughey	Nil	N/A	N/A	N/A	Nil	Nil	Nil
David J. LeMay	16,622 8,413 24,296 20,000 25,919 115,740(8) 120,396	8.08 19.63 19.32 10.46 15.48 8.19 7.50	Mar 24, 2014 Mar 22, 2015 Mar 22, 2016 Dec 12, 2016 Mar 15, 2017 Aug 16, 2017 Apr 1, 2023	22,606 Nil Nil Nil Nil 144,675 233,568	53,244 PSUs 22,800 Bridging RSUs	699,153	22,473
Daryl E. Sands	29,109 18,340 33,528 48,385 82,615	13.15 19.63 19.32 15.48 7.50	Mar 24, 2014 Mar 22, 2015 Mar 22, 2016 Mar 15, 2017 Apr 1, 2023	Nil Nil Nil Nil 160,273	53,858 PSUs 13,879 Bridging RSUs	624,836	64,175
Don P. Pearson	46,091 19,613 36,943 50,477 89,267	13.15 19.63 19.32 15.48 7.50	Mar 24, 2014 Mar 22, 2015 Mar 22, 2016 Mar 15, 2017 Apr 1, 2018	Nil Nil Nil Nil 173,178	56,458 PSUs 7,498 Bridging RSUs	591,752	34,262
Al Miller	25,000 27,536 35,537 56,835	18.34 19.32 15.48 7.50	Jul 20, 2015 Mar 22, 2016 Mar 15, 2017 Apr 1, 2023	Nil Nil Nil 110,260	41,462 PSUs 8,754 Bridging RSUs	463,705	Nil
Allan Tarasuk	85,470 39,683	8.75 7.50	Feb 8, 2018 Apr 1, 2023	58,974 76,985	13,333 PSUs	123,864	Nil

Notes:

(1) Option-based awards detailed in this table reflect grants of options made pursuant to the Stock Option Plan. See "Stock Option Plan" below.

(2) The value of the unexercised in-the-money options has been calculated as at December 31, 2013 as determined based on the excess of the closing price of the Common Shares on the TSX on December 31, 2013 of $9.44 per share over the exercise price of such options. The actual value realized upon the exercise of such options may be greater or less than the value indicated.

(3) PSUs are granted pursuant to the MTIP and subject to and in accordance with the Unit Plan. Each grant of PSUs under the Unit Plan vests over a three year period. The number of PSUs that actually vest and payout is dependent upon the performance of the Corporation. The Bridging RSUs held by the Named Executive Officers vest on the first, second and third anniversaries of the date of grant of such Bridging RSUs in increments of 20%, 30% and 50%, respectively. See the section of this Circular entitled "Executive Compensation Discussion and Analysis – Description of Components of Compensation – Equity Based Incentives" for further details on the operation of the Unit Plan.

(4) The value of the unvested share-based awards has been calculated as at December 31, 2013 as determined based on the cash value of the PSUs and Bridging RSUs held by the Named Executive Officer at that time. The value of a PSU has been calculated assuming as if the Corporation had achieved target performance and 100% of the PSUs had vested on December 31, 2013. The cash value of one PSU on December 31, 2013 would have had a value of $9.29, being the weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding December 31, 2013. The cash value of one Bridging RSU on December 31, 2013 would have had a value of $8.97, being the weighted average trading price of the Common Shares on the TSX for the twenty trading days immediately preceding December 31, 2013.

(5) The amounts represent the cash value of DSUs held by each Named Executive Officer as at December 31, 2013. The amounts have been calculated based upon each DSU having a value of $9.29, being the weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding December 31, 2013.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table provides details of the value of option-based and share-based awards that vested during the financial year ended December 31, 2013 and the value of annual incentive awards earned during 2013 for each of the Named Executive Officers.

Named Executive Officer	Option-based awards- Value vested during the year(1) ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year(3) ($)
Douglas J. Haughey	Nil	1,229,732(2)	Nil
David J. LeMay	41,281	6,553(4)	257,250
Daryl E. Sands	Nil	14,285(4)	145,732
Don P. Pearson	Nil	15,276(4)	70,000
Al Miller	Nil	Nil	220,000
Allan Tarasuk	Nil	Nil	156,825

Notes:

(1) The options held by the Named Executive Officers generally vest in equal increments on the first, second and third anniversaries of the grant date. The value of the options that vested during 2013 was determined on the vesting date based on the excess of the price of the Common Shares over the applicable exercise price. Out-of-the-money options are excluded from the calculation.

(2) On August 9, 2012, Mr. Haughey was granted as a retention bonus 144,058 DSUs, which vested following his resignation on May 31, 2013. Mr. Haughey did not participate in the Corporation's STIP, MTIP, LTIP or benefits programs.

(3) Represents annual cash bonus awards earned by the Named Executive Officers in respect of the financial year ended December 31, 2013. See the section entitled "2013 Executive Compensation and Related Matters – Determination of Compensation for the Financial Year Ended December 31, 2013 - STIP" for a detailed analysis of the STIP payment calculations for all of the Named Executive Officers.

(4) Represents the amounts paid out pursuant to the vesting of the MTIP awards granted in 2010. The Corporation's TSR for the three year period ending in 2013 corresponded to a payout of 27.3% of the value of the PSUs underlying that award. Please refer to the section entitled "Executive Compensation Discussion and Analysis – Description of Components of Compensation – Equity Based Incentives" for further details on the operation of the Unit Plan.

Employment, Termination and Change of Control Benefits

Each of Messrs. LeMay, Miller, Sands and Tarasuk has entered into employment agreements with the Corporation. Mr. Pearson retired from the Corporation on December 31, 2013 and, therefore, his employment agreement was terminated as of that date. The employment agreements govern the relationship between the individual Named Executive Officer and the Corporation in the case of certain scenarios including the following: (a) a termination of the Named Executive Officer without cause, including constructive dismissal; (b) in the case of Mr. Miller, the retirement of the Named Executive Officer; and (c) in the case of Messrs. Lemay and Sands, termination following a change of control of the Corporation. For the purposes of this section, a "change of control of the Corporation" can be summarized as meaning the occurrence of any one or more of the following events:

(a) the acquisition, by whatever means, by a third party of more than a majority of the combined voting power of the Common Shares;

(b) the amalgamation, consolidation or merger of the Corporation with another entity pursuant to which Shareholders immediately prior to such transaction do not own voting securities of the successor or continuing corporation which would entitle them to cast more than 50% of the votes attaching to shares in the capital of the successor or continuing corporation;

(c) the election at a meeting of Shareholders of that number of persons which would represent a majority of the Board, as Directors who are not included in the slate for election as Directors proposed by the Corporation;

(d) the sale, lease, transfer, or other disposition of all or substantially all of the assets of the Corporation;

(e) the decision to liquidate, dissolve or wind-up the Corporation;

(f) the transfer of the head offices of the Corporation from Calgary, Alberta;

(g) the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any transaction or series of transactions referred to in subsections (a) through (e) referred to above; or

(h) a determination by the Board of Directors that a change of control has occurred.

Neither the Unit Plan nor the Stock Option Plan provide for automatic vesting of PSUs, RSUs, Bridging RSUs or options upon the occurrence of a change of control of the Corporation. Any automatic vesting under those plans would occur only in accordance with the provisions of each individual's employment agreement.

Similarly, for the purposes of this section, "good reason" in the context of a change of control can be summarized as generally meaning the occurrence of any one or more of the following events:

(a) a materially adverse change in the executive's position, duties, or responsibilities other than as a result of the executive's physical or mental incapacity;

(b) a materially adverse change in the executive's reporting relationship that is inconsistent with the executive's title or position;

(c) a material increase in the duties and responsibilities of the executive without a corresponding reasonable increase in the executive's compensation;

(d) a reduction in the executive's base salary or benefits;

(e) the relocation of the executive without his or her consent; or

(f) a material reduction in the benefits provided to the executive.

The table below sets out the relevant provisions of the employment agreement of each Named Executive Officer who remained employed by the Corporation as at December 31, 2013:

Named Executive Officer	Date of Agreement	Entitlement Upon Termination Following Change of Control[(1)]	Entitlement Upon Termination Without Cause[(2)]	Non-Solicitation and Non-Compete Provisions
David J. LeMay	May 31, 2013	• All accrued and unpaid base salary, STIP and vacation pay earned prior to the date of termination • A lump sum equal to: (a) 1/12 of target STIP times the number of complete months of service provided in the said year; (b) base salary for a period of twenty-four (24) months; (c) 2 times target STIP; and (d) 20% of base salary to compensate for lost benefits • MTIP awards and Bridging RSUs shall fully vest, where applicable, at 100% of the performance target • Options shall fully vest with an exercise date being the earlier of the regular expiry date or ninety days from the date of termination	• All accrued and unpaid base salary, STIP and vacation pay earned prior to the date of termination • A lump sum equal to: (a) 1/12 of target STIP times the number of complete months of service provided in the said year; (b) base salary for a period of twenty-four (24) months; (c) 2 times target STIP; and (d) 20% of base salary to compensate for lost benefits • MTIP awards and Bridging RSUs shall vest on a prorated basis, where applicable, at 100% of the performance target • Options which have not vested shall be forfeited and all vested options will have an exercise date being the earlier of the regular expiry date or ninety days from the date of termination	Yes, for a specified period and within a certain geographic region following termination of employment with the Corporation.

Daryl E. Sands	May 31, 2013	• All accrued and unpaid base salary, STIP and vacation pay earned prior to the date of termination • A lump sum equal to: (a) 1/12 of target STIP times the number of complete months of service provided in the said year; (b) base salary for a period of twenty-four (24) months; and (c) 2 times target STIP • MTIP awards and Bridging RSUs shall fully vest, where applicable, at 100% of the performance target • Options shall fully vest with an exercise date being the earlier of the regular expiry date or ninety days from the date of termination	• All accrued and unpaid base salary, STIP and vacation pay earned prior to the date of termination • A lump sum equal to: (a) 1/12 of target STIP times the number of complete months of service provided in the said year; (b) base salary for a period of eighteen (18) months; and (c) 1.5 times target STIP • MTIP awards and Bridging RSUs shall vest on a prorated basis, where applicable, at 100% of the performance target • Options which have not vested shall be forfeited and all vested options will have an exercise date being the earlier of the regular expiry date or ninety days from the date of termination	Yes, for a specified period and within a certain geographic region following termination of employment with the Corporation.
Al Miller	January 17, 2011	N/A	• A lump sum equal to base salary for a period of twenty-four months (24) months • $15,000 for outplacement services • MTIP awards and Bridging RSUs shall vest on a prorated basis, where applicable, at 100% of the performance target • Options which have not vested shall be forfeited and all vested options will have an exercise date being the earlier of the regular expiry date or ninety days from the date of termination	Yes, for a specified period and within a certain geographic region following termination of employment with the Corporation.
Allan Tarasuk	December 21, 2012	N/A	• A lump sum equal to base salary for a period of eighteen months (18) months • MTIP awards and Bridging RSUs shall vest on a prorated basis, where applicable, at 100% of the performance target • Options which have not vested shall be forfeited and all vested options will have an exercise date being the earlier of the regular expiry date or ninety days from the date of termination	Yes, for a specified period and within a certain geographic region following termination of employment with the Corporation.

Notes:

(1) This includes termination by the Corporation following a “change of control” or termination by the executive for “good reason” following a change of control of the Corporation. See the immediately preceding section entitled “Employment, Termination and Change of Control Benefits” for the relevant definitions of “change of control” and “good reason”.

(2) Termination without cause includes “constructive dismissal”.

Estimated Termination Payments

The following table summarizes the payments to which each Named Executive Officer who remained employed by the Corporation as at December 31, 2013 would have been entitled if his employment had been terminated on December 31, 2013 in various scenarios, including by the Corporation without cause or, in the case of certain Named Executive Officers, by the Named Executive Officer as a result of "good reason" following a "change of control" of the Corporation or retirement:

Named Executive Officer	Termination Following Change of Control[1] ($)	Termination Without Cause (incl. Constructive Dismissal) ($)	Retirement ($)
David J. LeMay	3,839,546	3,077,860	22,470[2]
Daryl E. Sands	2,471,734	1,689,887	64,174[2]
Al Miller	Nil	919,647	Nil[3]
Allan Tarasuk	Nil	629,927	Nil

Notes:

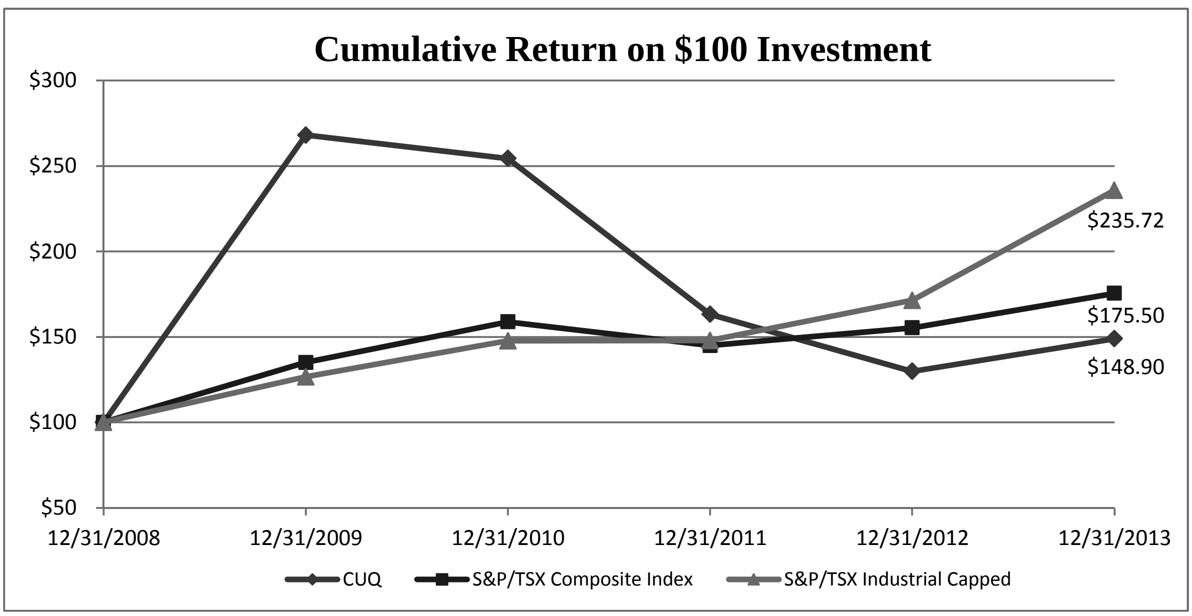
(1) This includes termination by the Corporation following a "change of control" or termination by the executive for "good reason" following a change of control of the Corporation. See the immediately preceding section entitled "Employment, Termination and Change of Control Benefits" for the relevant definitions of "change of control" and "good reason".

(2) The Corporation's retirement policies would not have applied to Messrs. LeMay and Sands as at December 31, 2013. Each of Messrs. LeMay and Sands would, however, have been entitled to receive a payout on DSUs that he held at December 31, 2013 had he retired on that date.

(3) The incremental payments to Mr. Miller resulting from his retirement do not include amounts payable to him pursuant to the Canem Plan. Please refer to "2013 Executive Compensation and Related Matters – Pension Plan Benefits" for further details.

Share Performance Graph

The chart below illustrates the yearly and cumulative total return on the Common Shares (assuming a $100 investment was made on December 31, 2008) compared with the cumulative total return of the S&P/TSX Composite Index and the S&P/TSX Industrial Capped Index.



The objectives of the Corporation's executive compensation program include aligning the interests of executives with those of Shareholders. Consistent with that objective, a significant portion of the total compensation awarded to the Named Executive Officers over the last five years has consisted of the expected grant date fair value of their respective LTIP and MTIP awards. For each LTIP and MTIP award granted to the Named Executive Officers the actual compensation realized is contingent upon the Common Share price performance. The Common Share price performance has been directly and adversely affected by a number of factors over three out of the last four years. As the value of LTIP and MTIP awards to the Named Executive Officers is directly aligned with the Common Share price performance, the total compensation realized by the Named Executive Officers over the last several years from previous MTIP and LTIP awards has been significantly less than the original expected values. In this regard, the LTIP and MTIP compensation of the Named Executive Officers was aligned with the experience of Shareholders over the same period.

MANAGEMENT CONTRACTS

During the most recently completed financial year, no management functions of the Corporation were to any substantial degree performed by a person or company other than the Directors or executive officers of the Corporation (or private companies controlled by them, either directly or indirectly).

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

As at December 31, 2013, the Stock Option Plan was the only compensation plan providing for the issuance of equity securities. General information regarding the Stock Option Plan is set out under the heading "Executive Compensation Discussion and Analysis – Equity Based Incentives". The following table sets forth securities of the Corporation that are authorized for issuance under the Stock Option Plan as at December 31, 2013.

Plan Category	**Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)**	**Weighted-average exercise price of outstanding options, warrants and rights ($)**	**Number of securities remaining available for future issuance under equity compensation plans (#)**
Equity compensation plans approved by security holders	1,838,117	12.29	641,599
Equity compensation plans not approved by security holders	Nil	N/A	N/A
Total	1,838,117	12.29	641,599

INDEBTEDNESS OF DIRECTORS OR NAMED EXECUTIVE OFFICERS

No Director or Named Executive Officer, or former Director or Named Executive Officer nor any of their associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to the Corporation nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

The Corporation paid legal fees during the most recently completed financial year to Miller Thomson LLP, a law firm of which Mr. Tod, a Director of the Corporation, is a former partner. Mr. Tod retired from the partnership at Miller Thomson LLP on June 30, 2011 and now acts as counsel to that firm. The legal fees were for services rendered in the ordinary course of business. The amount paid during 2013 was $317,363.

Mr. Schneider, a Director, owns and controls Schneider Investments Inc., which has a 50% interest in a company that owns a building which is leased to the Corporation at market terms. The amount paid to the company that owns the building in respect of that lease in 2013 was $351,000.

Other than as set forth above, or as previously disclosed, the Corporation is not aware of any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any Director or executive officer, proposed nominee for election as a Director or any Shareholder holding more than 10% of the Common Shares or any associate or affiliate of any of the foregoing in any transaction in the preceding financial year or any proposed or ongoing transaction of the Corporation which has or will materially affect the Corporation.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise set out herein, no Director or executive officer of the Corporation or any proposed nominee of Management for election as a Director of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting.

OTHER BUSINESS

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the Shareholders at the Meeting, it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information pertaining to the Corporation's most recently completed financial year is provided in the Corporation's comparative financial statements and Management's Discussion and Analysis available on SEDAR. A Shareholder may contact the Corporation at Churchill Investor Relations, 400-4954 Richard Road S.W., Calgary, Alberta T3E 6L1 to obtain a copy of the Corporation's most recent financial statements and Management's Discussion and Analysis. This information is also available on the Corporation's website (www.churchillcorporation.com).

BOARD OF DIRECTORS APPROVAL

The contents and the sending of this Circular have been approved by the Board of Directors.

SCHEDULE "A"
Written Mandate of the Board of Directors

The Board of Directors (the "**Board**") of The Churchill Corporation (the "**Corporation**") is elected by the Corporation's shareholders to supervise the management of the business and affairs of the Corporation pursuant to the powers vested in its articles and by-laws, and in accordance with the obligations under regulatory and public law.

Within its stewardship responsibility the Board is to preserve and enhance the viability of the Corporation and to ensure that it is managed in the interests of the shareholders as a whole in conformity with the law and legitimate interests of other stakeholders.

The Board delegates the responsibility for the day-to-day conduct of business to the management of the Corporation, through its President and Chief Executive Officer ("**CEO**"), within a policy framework established by the Board. In executing their responsibilities, each of the members of the Board is entitled to rely on the advice, reports and opinions of management.

Board of Directors

Board Composition

The composition of the Board should balance the following goals:

(a) The size of the Board should facilitate substantive discussions of the whole Board in which each Director can participate meaningfully;

(b) The composition of the Board should encompass a broad range of skills, expertise, industry knowledge, diversity of opinion and contacts relevant to the Corporation's business;

(c) Membership on the Board shall include an appropriate number of Directors whom the Board has determined have no material relationship with the Corporation or its principal shareholders and who are otherwise considered independent as contemplated by National Policy 58-201 *Corporate Governance Guidelines*;

(d) In the event that a Director is determined not to be independent, the basis of such determination shall be disclosed; and

(e) The chairman of the Board shall be an independent Director within the meaning of National Policy 58-201 *Corporate Governance Guidelines.*

Meetings

Frequency of Meetings

The Board holds regularly scheduled meetings on a quarterly basis as well as additional meetings to consider particular issues or strategic planning. Meetings may be called from time to time as determined by the needs of the Corporation's business. The record of the Directors in attendance shall be noted for each meeting of the Board and attendance records for each Director shall be compiled annually. Directors will strive for 100% attendance and are expected to attend at least 75% of all Board meetings.

Selection of Agenda Items for Board Meetings

The Chairman, in consultation with the CEO and the Corporate Secretary, establishes the agendas for Board meetings. Any Board member, however, may recommend the inclusion of specific agenda items. The agenda is distributed in advance of a meeting to each Director.

Board Materials Distributed in Advance

Information, data and presentation materials that are important to the Board's understanding of the business are distributed in writing to the Board before each meeting. Management should provide materials that are as concise as possible while giving Directors sufficient information, and time for review (subject to availability of time sensitive materials), to make informed decisions. Under certain circumstances, written materials may be unavailable to Directors in advance of a meeting, and certain items to be discussed at Board meetings may be of a sensitive nature such that the distribution of materials on these matters prior to the Board meeting would not be appropriate.

Management at Meetings

The Board invites members of management, in addition to the CEO and the Chief Financial Officer, to attend Board meetings from time to time to make presentations and provide additional insight into the various operations of the Corporation.

In-Camera Meetings

To encourage free and open discussion and communication among the non-management Directors of the Board, the independent Directors may meet during, or at the end of each Board meeting, without members of management present.

Board Mandate

The core responsibilities of the Board include stewardship and oversight in the following areas:

Strategic Planning

The Board ensures that the Corporation adopts a strategic planning process to guide its activities and address the opportunities and risks of the business. The Board shall meet at least annually to review the plan. In addition, at each regular meeting, the Board reviews the Corporation's overall business strategies, its business plan, as well as major strategic initiatives, to allow the Board to evaluate whether the Corporation's proposed actions are generally in accordance with its objectives.

Identification of Principal Risks

The Board, directly and through the Audit Committee, reviews the principal risks of the Corporation's business and the appropriateness of the systems put in place to manage these risks.

Selection and Remuneration of the CEO and the Senior Management Team

The Board is responsible for selecting the CEO and for approving the selection of the members of the senior management team. Communication with the management team is through the CEO and the Board is responsible for judging the effectiveness of this officer and replacing him if such action is deemed to be in the best interests of the Corporation. The Board is also responsible for providing an effective system of remuneration. These functions are performed with the benefit of advice from the Human Resources and Compensation Committee.

Succession Planning

On a regular basis, the Board reviews a succession plan, developed by management, addressing the policies and principles for selecting a successor to the CEO and other key senior management positions, both in an emergency situation and in the ordinary course of business. The succession plan should include an assessment of the experience, performance, skills, training and planned career paths for possible successors to the CEO currently in the Corporation's senior management.

Financial Reporting and Internal Controls

The Board, acting through the Audit Committee, oversees the financial reporting and regulatory filing and disclosures of the Corporation. This includes monitoring the implementation of appropriate internal control systems to ensure the accuracy and timeliness of the information.

Communication Policy

The *Policy Regarding Disclosure and Confidentiality* established by the Board summarizes practices regarding disclosure of material information to investors, analysts and the media. The Board, in consultation with the Governance and Nominating Committee, monitors and advises on compliance with this Policy.

Evaluating Board Performance

The Board, acting through the Governance and Nominating Committee, conducts an evaluation, at least annually, to assess the effectiveness of the Board, its Committees, the Chairman, and individual Directors. In addition, the Governance and Nominating Committee periodically considers the mix of skills and experience that Directors bring to the Board to assess whether the Board has the necessary tools to perform its oversight function effectively.

Issuer's Approach to Corporate Governance

The Corporation is committed to effective practices in corporate governance. The Corporation consistently assesses and adopts corporate governance measures. The Corporate Governance and Nominating Committee shall be responsible for disclosing the Corporation's approach to corporate governance in public disclosure documents.

Whistleblowing Policy

The Board has established a *Policy Regarding Whistleblowing*, which establishes the complaint procedure for concerns about any aspect of the Corporation's activities and operations.

Shareholder Feedback

The Board monitors management in its ongoing development of appropriate investor relations programs and procedures to receive and respond to shareholder feedback.

SCHEDULE "B"
Corporate Governance and Nominating Committee Terms of Reference

The Board of Directors (the "**Board**") of The Churchill Corporation (the "**Corporation**") is committed to the maintenance of corporate governance practices. This commitment includes the establishment of an appropriate structure and the maintenance of processes so that Management, the Board and the Corporation's shareholders communicate and work effectively together, within the regulatory framework, for the enhancement of shareholder value.

PURPOSE

The Corporate Governance and Nominating Committee (the "**Committee**") shall have a broad responsibility for examining corporate governance practices, including Board practices and performance, and for making recommendations with respect to such matters to the Board. These responsibilities include:

(a) Nominating - Assessing the requirements for membership on the Board; maintaining a roster of candidate Directors; and managing the process for nominating candidates for Board and Committee membership.

(b) Effectiveness - Assessing and making recommendations regarding Board effectiveness and leading the processes for orientation, evaluation and continuing education of Directors, Committee Chairpersons and the Chair of the Board.

(c) Regulatory - Ensuring processes and procedures are in place to achieve timely and appropriate compliance with all public company regulatory requirements; and assessing the recommendations of The Toronto Stock Exchange and other regulatory bodies with a view to adopting those recommendations which are appropriate for, and will be of benefit to, the stakeholders of the Corporation.

(d) Governance - Reviewing and monitoring governance practices of the Board and Management with a view to enhancing the Corporation's performance.

COMPOSITION AND OPERATIONS

The Committee shall be composed entirely of independent Directors within the meaning of National Policy 58-201 - *Corporate Governance Guidelines*. The Committee shall be composed and operate in accordance with the *Standing Committees of the Board General Terms of Reference*. The Committee shall meet at least twice each year.

DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Committee has the responsibility:

With respect to Board and Committee Nomination, to:

(a) Assess the requirements for membership on the Board and committees of the Board;

(b) Create a formal and transparent procedure for the appointment of new Directors to the Board;

(c) Maintain a roster of candidate Directors;

(d) Manage the processes involved in assessing the capabilities that will be required by the Board, by maintaining a skill "matrix" of the capabilities of the existing Directors and identifying the gaps to be filled and plan for the orderly succession of the Chair and other Directors to maintain such capabilities;

(e) Develop recommendations regarding the essential and desired experience and skills for potential Directors, taking into consideration the Board's short-term needs and long-term succession plans;

(f) In consultation with the Chair of the Board, recommend nominees to the Board for election as Directors of the Corporation; and

(g) In consultation with the Chair of the Board, recommend committee members and committee chair appointments to the Board for approval.

With respect to Board Effectiveness, to:

(a) Develop and periodically update a long-term plan for Board composition and size that takes into consideration the current strengths, skills and experience on the Board, retirement dates and the strategic direction of the Corporation;

(b) Monitor the Board orientation and continuing education programs in effect from time to time, and, where appropriate, recommend changes to the Board;

(c) Encourage all Directors to continuously update their skills as well as their knowledge of the Corporation and its businesses;

(d) Assess the needs of the Board in terms of the frequency and location of Board and committee meetings, meeting agendas, discussion papers, reports and information, and the conduct of meetings;

(e) Review and evaluate on an annual basis the performance of the Board as a whole and individual Directors in accordance with the procedures established by the Board from time to time;

(f) Review and evaluate on an annual basis the performance of each committee of the Board and its Chair against the terms of reference and the standards established for the role of the chair, respectively; and

(g) Review the committees of the Board needed, and the performance and suitability of, the committees of the Board.

With respect to Board Governance, to:

(a) Provide a forum for all Directors to express their views and concerns regarding the operation of the Corporation, independent of Management and the full Board;

(b) Review the Corporation's structures and procedures to ensure the Board is able to, and in fact does, function independently of Management;

(c) Ensure there is a system that enables a committee or Director to engage separate independent counsel in appropriate circumstances, at the Corporation's expense;

(d) Review on an annual basis the *Director Code of Ethics* (the "Code") and, where appropriate, recommend revisions to the Board;

(e) Review on an annual basis and, where appropriate, recommend any changes to, the *Whistleblower Policy*, the *Code of Conduct and Ethics Policy*, the *Disclosure Committee Policy* and the *Insider Trading Policy*, to the Board;

(f) Monitor compliance with the Code and regularly report to the Board, including the status of complaints received and investigations launched;

(g) Review on an annual basis and, where appropriate, recommend any changes to the Directors' Manual table contents;

(h) Review and consider any published reports on corporate governance best practices by recognized Canadian coalitions and groups and make recommendations to the Board regarding their consideration or adoption as appropriate; and

(i) At the request of the Chair of the Board or the Board, undertake such other corporate governance initiatives, as may be necessary or desirable to contribute to the success of the Corporation.

With respect to Regulatory Requirements, to:

(a) Consider developments in the area of corporate governance and any other matters which would assist the Board in meeting its corporate governance responsibilities and adherence to any corporate governance requirements established by relevant regulatory bodies;

(b) Review the disclosure and confidentiality policies of the Corporation in effect from time to time and make recommendations to the Board with respect thereto; and

(c) Review and recommend for the Board's approval the annual corporate governance disclosure of the Corporation in the Corporation's public disclosure documents prior to their publication.

AUTHORITY

The Committee may engage and compensate any outside advisor, at the Corporation's expense that it determines necessary to permit it to carry out its duties.

SCHEDULE "C"
Human Resources and Compensation Committee Terms of Reference

PURPOSE

The purpose of the Human Resources and Compensation Committee (the "**Committee**") is to assist the Board of Directors (the "**Board**") of The Churchill Corporation (the "**Corporation**") in fulfilling its obligations relating to human resource and compensation matters.

COMPOSITION AND OPERATIONS

1) The Committee shall be composed entirely of "independent" Directors within the meaning of Section 1.4 of National Instrument 52-110 – *Audit Committees*, as amended or replaced from time to time.

2) The Committee shall meet at least twice each year and otherwise as required to fulfill its responsibilities.

3) The Committee shall be composed and operate in accordance with the *Standing Committees of the Board General Terms of Reference*, as amended from time to time. To the extent that there exists any conflict between the provisions of these Terms of Reference and the provisions of the *Standing Committees of the Board General Terms of Reference*, the provisions of these Terms of Reference shall apply.

DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Committee has the responsibility:

1. With respect to policy to:

a) At such times as determined by the Committee, review and, if deemed appropriate by the Committee, recommend to the Board for approval the Corporation's compensation philosophy, guidelines and general plans or programs for its employees and Directors;

b) On an annual basis, review and provide a report to the Board pertaining to the implications of the risks associated with the Corporation's compensation policies and practices;

c) Review and, if deemed appropriate by the Committee, recommend to the Board for approval any annual aggregate base salary increases for the employees of the Corporation as recommended by the Chief Executive Officer (the "**CEO**");

d) Review and, if deemed appropriate by the Committee, recommend to the Board for approval the *Executive Compensation Discussion and Analysis* section of the Corporation's annual proxy circular;

e) Review and, if deemed appropriate by the Committee, recommend to the Board for approval the annual aggregate bonus amounts payable to the employees of the Corporation as recommended by the CEO;

f) At such times as determined by the Committee, review and, if deemed appropriate by the Committee, recommend to the Board for approval the form and level of compensation for Directors, Committee Members, Committee Chairs and the Chairperson of the Board; and

g) At such times as determined by the Committee, review and, if deemed appropriate by the Committee, recommend to the Board for approval any share ownership guidelines for the Directors and senior employees of the Corporation.

2. With respect to the CEO to:

a) At such times as determined by the Committee, review and, if deemed appropriate by the Committee, recommend to the Board for approval the position description for the CEO;

b) On an annual basis, review and, if deemed appropriate by the Committee, recommend to the Board for approval the corporate goals and objectives for which the CEO is responsible and that are relevant to the CEO's compensation;

c) On an annual basis, review the performance of the CEO against his or her approved goals and objectives and, if deemed appropriate by the Committee, recommend to the Board for approval any changes to the CEO's total remuneration package, including the components thereof;

d) Review with the CEO any significant outside commitments he or she is considering before the commitment is made including, without limitation, any commitments relating to external board positions; and

e) In the event that the Committee becomes aware of a possible vacancy in the position of the CEO, work with the Chairperson of each of the Board and its Governance and Nominating Committee to lead the selection process as to proposed candidates.

3. With respect to the Senior Executives, defined as being the direct reports to the CEO, to:

a) On an annual basis, review with the CEO the performance of each of the Corporation's Senior Executives and, if deemed appropriate by the Committee, recommend to the Board for approval any changes to such Senior Executive's total remuneration package, including the components thereof; and

b) Review and, if deemed appropriate by the Committee, approve any material agreements proposed to be entered into with any Senior Executive, including those agreements addressing new employment, retirement, termination of employment or other special circumstances deemed by the Committee to be material.

4. With respect to the Corporation's Executive Compensation Plans and Benefit Programs (i.e. base salary programs and annual, mid-term and long-term incentive plans):

a) Review and, if deemed appropriate by the Committee, recommend to the Board for approval any new incentive, compensation or benefit program of the Corporation;

b) On an annual basis, review the effectiveness of any existing incentive, compensation or benefit programs of the Corporation and, if necessary, recommend to the Board for approval any changes thereto;

c) Provide oversight on the benefit aspects of the Corporation's pension and retirement plans, specifically in the areas of:

i. consider and approve any major benefit changes in the plans after consultation with the Audit Committee in respect of any significant effect such changes may have on pension financial matters;

ii. management's appointments to the Corporation's Pension Committee;

iii. make recommendations to the Board on any pension plan initiations, terminations or conversions; and

iv. provide advice to the Board or the Governance Committee on any matters concerning pension governance.

d) At such times as determined by the Committee, review and, if deemed appropriate by the Committee, recommend to the Board for approval aggregate annual base salary increases and incentive awards to executives of the Corporation under such plans as recommended by the CEO; and

e) Review with the CEO and, if deemed appropriate by the Committee, recommend to the Board the performance goals for any executive incentive plan established at the start of each plan cycle and make recommendations to the Board as to whether performance objectives have been achieved at the end of each plan cycle.

5. With respect to succession planning and organization change to:

a) At such times as determined by the Committee, review with the CEO existing management resources and plans, including recruitment and training programs, to ensure that qualified personnel will be available for succession to executive positions in the Corporation and its key subsidiaries; and

b) At such times as determined by the Committee, review and, if deemed appropriate by the Committee, recommend to the Board for approval the appointment of new assignments or material reassignments of existing Senior Executives as recommended by the CEO.

6. With respect to other matters:

a) Review and, if deemed appropriate by the Committee, make recommendations to the Board on such other matters related to human resource issues that are specifically delegated to the Committee by the Board.

INDEPENDENT ADVISORS

The Committee shall have the authority to retain and terminate independent legal counsel, consultants or other advisors in order to assist it in fulfilling its responsibilities.

SCHEDULE "D"
Health, Safety and Environment Committee Terms of Reference

The Health, Safety and Environment Committee (the "**Committee**") of the Board of Directors (the "**Board**") of The Churchill Corporation (the "**Corporation**") shall have the oversight responsibility, authority and specific duties as described below.

COMPOSITION AND OPERATIONS

The Committee will be comprised of such number of Directors as determined by the Board. No members of the Committee shall be an officer or employee of the Corporation or any of its subsidiaries or any affiliate thereof. Determinations as to whether a particular Director satisfies the requirements for membership on the Committee shall be made by the full Board and shall be reviewed at least annually.

If a member of the Committee ceases to satisfy the necessary requirements for membership for reasons outside that member's reasonable control, the member shall immediately notify the Chairman of the Board as to this fact and shall resign his or her position as a member of the Committee on the earliest of (i) the appointment of his or her successor; (ii) the next annual meeting of shareholders of the Corporation; and (iii) the date that is six months from the occurrence of the event which caused the member to not satisfy the necessary requirements for membership.

Members of the Committee shall be appointed from time to time by the Board. Each member shall serve until his successor is appointed, unless he/she shall resign or be removed by the Board or he shall otherwise cease to be a Director of the Corporation. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board. The Board shall fill any vacancy if the membership of the Committee is less than three Directors.

The Chair of the Committee will be designated by the Board.

The Committee shall have access to such officers and employees of the Corporation and to such information respecting the Corporation as it considers necessary or advisable in order to perform its duties and responsibilities. The Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay the compensation for any such counsel and advisors, such engagement to be for the Corporation's sole account and expense. The Committee will rely on both internal and independent external experts for risk assessments and risk management plans as and when appropriate.

Meetings of the Committee shall be conducted as follows:

(a) The Committee shall meet at least twice annually at such times and at such locations as the Chair of the Committee shall determine. In addition, the Chair of the Committee may call a special meeting of the Committee at any time.

(b) The Chair of the Committee shall hold an in camera portion, without management present, at every Committee meeting.

(c) The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or by other telecommunication device that permits all persons participating in the meeting to hear each other.

(d) If the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee who is present at the meeting shall be chosen by the Committee to preside at the meeting.

(e) The Chair shall, in consultation with management, establish the agenda for the meetings and instruct management to ensure that properly prepared agenda materials are circulated to the Committee with sufficient time for study prior to the meeting.

(f) Every question at a Committee meeting shall be decided by a majority of the votes cast.

(g) The Chief Executive Officer of the Corporation shall be available to advise the Committee, and should attend the Committee meetings. Other management representatives and/or Board members may attend based on the agenda of material to be covered.

(h) The Corporate Safety Officer shall act as secretary for the purposes of recording the minutes of each meeting. If no Corporate Safety Officer has been appointed or the Corporate Safety Officer is not present at the meeting, a Committee member, or any other person selected by the Committee, shall be appointed at each meeting to act as secretary for the purpose of recording the minutes of each meeting.

(i) The Committee may delegate from time to time to any person or committee of persons any of the Committee's responsibilities that lawfully may be delegated.

The Committee, through its Chair, may contact directly any employee in the Corporation as it deems necessary. Consistent with the Corporation Whistle Blower Policy, the Committee Chair may bring before the Committee on a confidential basis any matters identified by employees involving the health, safety, or environmental policies or actions of the Corporation.

The Committee shall provide the Board with the agendas of all meetings together with a copy of the minutes from such meetings. The Chair shall provide the Board with reports on the activities of the Committee at regularly scheduled Board Meetings. Information reviewed and discussed by the Committee at any meeting shall be made available for examination by the Board upon request.

DUTIES AND RESPONSIBILITIES

The Committee is part of the Board. Its primary function is to assist the Board in fulfilling its oversight responsibilities with respect to the Corporation's health, safety and environmental systems which shall include reviewing the Corporation's health, safety and environmental policies and related management systems, practices, organizational and staffing needs and assessing the measurable effectiveness of these policies and practices and making recommendations to the Board with respect to modifications and enhancements thereto.

The Committee shall:

(a) Ensure that there is an appropriate process in place to facilitate the identification of the various health, safety and environmental risks that may arise from the Corporation’s operations and the possible resulting consequential risks to the Corporation, its subsidiaries and its affiliates and their respective directors, officers and employees.

(b) Annually review the Corporation's health, safety and environmental policies and, if appropriate, make recommendations to the Board with respect thereto.

(c) Assess whether the Corporation's health, safety and environmental policies are effectively implemented, comply with any applicable legislation and conform to industry standards.

(d) Review corporate health, safety, environmental activities and performance, including:

1. any contravention of an existing environmental, health or safety regulation or Corporate policy or procedure;
2. any event or potential event that would, in the opinion of management, constitute a significant environmental or safety concern;
3. non-compliance issues;
4. significant external or internal audit reports;
5. significant legislative and regulatory changes; and
6. outstanding litigation as it relates to health, safety or environmental matters.

(e) Review the Corporation's method of communicating (internally or externally) health, safety and environmental policies, practices and procedures.

(f) Review the Corporation's response procedures to the identified health, safety and environmental risks and/or actual events as they occur.

(g) Ensure that appropriate reporting procedures are established relating to health, safety and environmental matters by management to ensure adequate reports are made to the Committee and/or the Board on a regular basis.

(h) Review, in consultation with the Audit Committee, insurable risks related to health, safety and environmental issues and evaluate adequacy of insurance coverage.

(i) At least annually, review and make recommendations to the Governance and Nominating Committee with respect to these Terms of Reference.

(j) Perform any other activities consistent with this mandate and, generally, governing laws as the Committee or the Board deems necessary or appropriate.