

IMPORTANT INFORMATION FOR SHAREHOLDERS

**NOTICE OF THE
MAY 12, 2005
ANNUAL MEETING OF SHAREHOLDERS,
PROXY STATEMENT
AND
MANAGEMENT INFORMATION CIRCULAR**

the
Churchill
Corporation

THE CHURCHILL CORPORATION
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
MAY 12, 2005

NOTICE IS HEREBY GIVEN that an Annual Meeting of Shareholders of The Churchill Corporation (the "Corporation") will be held at the Westin Hotel, 10135-100th Street, Edmonton, Alberta on Thursday, May 12, 2005 at 2:00 p.m. (Mountain Time) for the following purposes:

1. to receive the consolidated financial statements of the Corporation for the year ended December 31, 2004 and the Auditors' Report thereon;
2. to fix the number of Directors to be elected at the Annual Meeting at seven (7);
3. to elect the Directors of the Corporation for the ensuing year;
4. to appoint the auditors of the Corporation and authorize the Directors to fix the remuneration of the auditors;
5. to transact such other business as may properly come before the Meeting or at any adjournment thereof.

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.

Shareholders who are unable to attend the Meeting or any adjournment thereof in person and who wish to ensure that their shares will be voted are requested to complete, sign and mail the enclosed form of proxy in accordance with the instructions set out in the form of proxy and in the Management Information Circular accompanying this Notice of Meeting.

Dated at Edmonton, Alberta this 29th day of March, 2005.

By Order of the Board of Directors



Henry R. Reid, MBA, P.Eng.
Interim President and Chief Executive Officer

THE CHURCHILL CORPORATION MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of The Churchill Corporation ("Churchill" or the "Corporation") for use at the Annual General Meeting of the holders of common shares (the "Common Shares") of the Corporation to be held at the Westin Hotel, Edmonton, Alberta on the 12th day of May, 2005 at 2:00 p.m. (Mountain Time), or at any adjournment thereof (the "Meeting"), for the purposes set forth in the Notice of Meeting. The information contained herein is given as of the 29th day of March, 2005, except where otherwise indicated. There is enclosed herewith a form of proxy for use at the Meeting, together with a copy of the Corporation's Annual Report containing the financial statements of the Corporation to be presented at the Meeting. Each shareholder who is entitled to attend at meetings of shareholders is encouraged to participate in the Meeting and shareholders are urged to vote in person or by proxy on 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 (who need not be a shareholder) other than the Management Designees to represent him or her 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 therefrom 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. 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 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 at the Meeting and voting his or her 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, CIBC Mellon Trust Company, Corporate Trust Services, Suite 600, The Dome Tower, 333 – 7th Avenue SW, Calgary, Alberta T2P 2Z1, no later than twenty-four (24) hours excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman 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 CIBC Mellon Trust Company, Corporate Trust Services, Suite 600, The Dome Tower, 333 – 7th Avenue SW, Calgary, Alberta T2P 2Z1, 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 Chairman 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 or her 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 Management Information 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 The Canadian Depository for Securities, 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 or against resolutions) 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 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 now delegate responsibility for obtaining instructions from clients to ADP Investor Communications ("ADP") in Canada. ADP typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to ADP, or otherwise communicate voting instructions to ADP (by way of the Internet or telephone, for example). ADP 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 an ADP voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to ADP (or instructions respecting the voting of Common Shares must otherwise be communicated to ADP) 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 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 Management Information 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 proxy how to vote his 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 Corporation is not aware of any amendments to, variations of, or other matters, which may come before the Meeting. In the event that other matters come before the Meeting, then the Management Designees intend to vote in accordance with the judgment of management of the Corporation.

Persons Making the Solicitation

This solicitation is made on behalf of the management of the Corporation. The cost incurred in the preparation and mailing of both the proxy and this Management Information Circular 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 therefore.

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. The costs thereof will be borne by the Corporation.

Quorum

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 voting securities of the Corporation consist of Common Shares (the "**Common Shares**") entitled to one vote per Common Share, of which 12,271,686 Common Shares were outstanding as at March 29, 2005.

Only Common Shareholders of record at the close of business on the Record Date of April 12, 2005 are entitled to notice of and to attend the Meeting or any adjournment(s) thereof and to vote thereat.

To the knowledge of the Directors and Senior Officers of the Corporation as at the date hereof, the only person or company who owns beneficially, directly or indirectly, or exercises control or direction over, more than ten (10%) percent of the issued Common Shares of the Corporation is Mr. Peter Allard, who owns 1,677,000 Common Shares, or approximately 13.7% of the issued and outstanding Common Shares.

PARTICULARS OF MATTERS TO BE ACTED UPON

A. Fix Number of Directors to be Elected at the Meeting

Shareholders of the Corporation will be asked to consider and, if thought appropriate, to approve and adopt an ordinary resolution fixing the number of Directors to be elected at the Meeting. 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 seven (7) Directors be elected to hold office until the next Annual Meeting or until their successors are elected or appointed. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote in favour of the ordinary resolution fixing the number of Directors to be elected at the Meeting at seven (7).**

Fix Number of Directors Resolution

“**BE IT RESOLVED**, as an ordinary resolution of the Corporation, that seven (7) Directors be elected to hold office until the next Annual Meeting or until their successors are elected or appointed.”

B. Election of Directors

The Articles of the Corporation provide that the Corporation shall have not less than three (3) or no more than fifteen (15) Directors.

The Board is currently composed of seven (7) Directors, five (5) of whom, in the view of management of the Corporation, are unrelated pursuant to the current requirements of the TSX. The same seven (7) Directors are proposed for election at the 2005 Annual Meeting of the Corporation.

Mr. Henry R. Reid is the Interim President and Chief Executive Officer of the Corporation and thus is a related Director.

Mr. Brian W.L. Tod is Deputy Chairman of the Corporation and a partner of the law firm of Miller Thomson LLP, which the Corporation retains on various matters from time to time and which provides in excess of 25% of the Corporation's external legal services. Due to the extent of these legal services, Mr. Tod is a related Director.

Mr. Stanton K. Hooper served as the Chairman of the Corporation through May 2002.

Dr. Peter F. Adams has been Chairman of the Corporation since May 2002.

The other current Directors, namely Messrs Harry A. King, Kim D. McInnes, Winston D. Stothert, along with, Stanton K. Hooper and Peter F. Adams are free of any interest and any business or other relationship that could, or could reasonably be perceived to, materially interfere with the Director's ability to act with a view to the best interests of the Corporation. They are not associated with major vendors to, or customers of, the Corporation.

The following table sets out: the name of each person proposed to be nominated by management for election as a Director; all other positions and offices with the Corporation and any significant affiliate thereof now held by him, if any; his principal occupation or employment; the period of service as a Director of the Corporation; and, the approximate number of Common Shares beneficially owned by him or over which he exercises control or direction as of March 29, 2005.

Each Director has provided information as to the number of Common Shares beneficially owned or controlled and the Corporation has relied on such information for the purposes of the following table.

Name, Municipality of Residence and Principal Occupation	Director Since	Common Shares Beneficially Owned or Controlled
PETER F. ADAMS, Ph.D., P.Eng. ^{(1) (3) (4) (5)} Edmonton, Alberta Retired; former President and Managing Director, Canadian Petroleum Institute An international training and project management company.	1993	128,500 Common
STANTON K. HOOPER, C.E.T. ⁽⁴⁾ Edmonton, Alberta President, Stanton Developments Ltd. A property development and management company.	1990	367,275 Common
HARRY A. KING, B.A., CA ⁽³⁾ Vancouver, British Columbia President, Harking Investments Ltd. An investment and holding company.	1997	55,000 Common
KIM D. McINNES, B.A., M.U.D. ⁽⁵⁾ Toronto, Ontario Executive Vice President and Chief Operating Officer, Ivanhoe Cambridge A real estate development and management company.	2002	NIL
HENRY R. REID, MBA, P.Eng. ⁽³⁾ Gabriola Island, British Columbia Business Consultant Interim President and Chief Executive Officer, The Churchill Corporation	1991	126,343 Common
WINSTON D. STOTHERT, M.A.Sc., P.Eng. ⁽⁴⁾ Vancouver, British Columbia Chairman, Stothert Power Corporation	1995	73,191 Common
BRIAN W. L. TOD, B.A., LL.B., Q.C. ^{(2) (5)} Edmonton, Alberta Partner, Miller Thomson Barristers and Solicitor	1993	109,636 Common

⁽¹⁾ *Indicates Chairman of the Board*

⁽²⁾ *Indicates Deputy Chairman of the Board*

⁽³⁾ *Indicates member of the Audit Committee*

⁽⁴⁾ *Indicates member of the Corporate Governance, Nominating and Risk Management Committee*

⁽⁵⁾ *Indicates member of the Human Resources and Compensation Committee*

Each of the Directors of the Corporation has been engaged for more than five (5) years in his present principal occupation or in other capacities with the company or organization (or a predecessor thereof) in which he currently holds his principal occupation, with the following exceptions:

Mr. Reid became Interim President and Chief Executive Officer of the Corporation when Mr. Bardell stepped down from the position of President and Chief Executive Officer in mid November 2004. Mr. Bardell also resigned as a Director of the Corporation at that time. Mr. Reid was previously President and Chief Executive Officer of the Corporation from November 1990 to October 2002.

The Management Designees named in the accompanying Form of Proxy intend to vote the Common Shares for the election, as Directors, of the nominees whose names are set forth above.

Election of Directors Resolution

“BE IT RESOLVED, as an ordinary resolution of the Corporation, that Peter F. Adams, Stanton K. Hooper, Harry A. King, Kim D. McInnes, Henry R. Reid, Winston D. Stothert and Brian W.L. Tod be elected as Directors of the Corporation. Each Director elected will hold office until the next Annual Meeting or until his successor is duly elected or appointed.”

C. Appointment of Auditors

The current auditors of the Corporation are Deloitte & Touche LLP, Chartered Accountants, 2000 Manulife Place, 10180 - 101 Street, Edmonton, Alberta T5J 4E4. Unless the Shareholder has specified in the enclosed Form of Proxy that the shares represented by such Proxy are to be withheld from voting in the appointment of auditors, or on any ballot that may be called for in the appointment of auditors, **the Management Designees named in the accompanying Form of Proxy intend to vote in favour of the re-appointment of Deloitte & Touche LLP, Chartered Accountants, as auditors of the Corporation, to hold office until the close of the next annual meeting of Shareholders and to authorize the Directors to fix the remuneration of the auditors.**

Appointment of Auditors Resolution

“BE IT RESOLVED, as an ordinary resolution of the Corporation, that Deloitte & Touche LLP, Chartered Accountants, be appointed as auditors of the Corporation until the next annual meeting or until a successor is appointed, at a remuneration to be determined by the Board of Directors of the Corporation.”

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Corporation’s governance practices are the responsibility of the Board of Directors. The Board has delegated its responsibility to develop and monitor the Corporation’s governance practices to the Corporate Governance, Nominating and Risk Management Committee. The Committee makes recommendations from time to time to the Board concerning governance matters in general, and changes to the specific duties and responsibilities of the Board and its Committees, to improve its corporate governance and maintain compliance with changing regulations.

In late 2004 the Canadian Securities Administrators (“CSA”) published for comment a proposed national instrument policy entitled “Disclosure of Corporate Governance Practices” and a proposed national policy entitled “Corporate Governance Guidelines”. In January 2005 a CSA staff notice was issued advising that the comments received were being considered and it was anticipated that the proposed national instrument and national policy would be effective for financial years ending on or after June 30, 2005. Once this new national instrument and new policy are in place, Churchill will re-assess its corporate governance practices. In the interim, the Corporation continues to monitor its governance practices relative to the TSX corporate governance disclosure guidelines (“TSX Guidelines”).

The Corporation’s governance practices are generally consistent with the TSX Guidelines. The following table compares Churchill’s practices with these guidelines.

<p>1. The Board should explicitly assume responsibility for the stewardship of the Corporation, and specifically the following matters:</p>	<p>Yes</p>	<p>The Board is responsible for the stewardship of the Corporation and the orderly conduct of its business to the benefit of all stakeholders including shareholders, employees, clients, suppliers, partner organizations and the general public. The Board delegates the responsibility for the day-to-day conduct of business to the management of the Corporation, through its Chief Executive Officer, within a policy framework established by the Board. The Board has adopted a formal mandate, a charter of expectations for Directors and policies for Director conduct and the avoidance of conflict of interest.</p>
<p>a. adoption of a strategic planning process and approval of a strategic plan</p>	<p>Yes</p>	<p>A specific responsibility of the Board is to ensure that the Corporation adopts a strategic planning process to guide its activities. The Board has established the practice of holding a major retreat annually to establish or review the strategic plan, to evaluate progress by the Corporation towards strategic objectives, and to develop new approaches to encourage that progress. The retreat involves the full Board as well as members of the senior management team of Churchill and its subsidiary companies. The plan itself is a collaborative effort between management and the Board. In addition to the retreat, elements of the plan are considered frequently during regular meetings of the Board.</p>
<p>b. identification of principal business risks, and implementation of appropriate risk-management systems</p>	<p>Yes</p>	<p>The Board has started to incorporate into the strategic planning process, the analysis of enterprise risk and the adoption of a system for assessing and managing those risks. In this task the Board seeks the advice of the Corporate Governance, Nominating and Risk Management Committee. In the interim, the Corporation has an established, but less formal process, of risk identification and management in place. This includes: principal risk identification based on industry knowledge and general economic conditions; receipt and review by the Board of quarterly financial, safety and environmental reports, prepared by management; review of financial controls and management information systems by the Audit Committee and the external auditors.</p>
<p>c. succession planning and monitoring senior management</p>	<p>Yes</p>	<p>The Human Resources and Compensation Committee periodically assesses the performance of the President and Chief Executive Officer in relation to annual objectives and makes appropriate recommendations to the Board for its consideration and approval.</p> <p>Succession planning is one of the objectives of the President and Chief Executive Officer.</p> <p>The Board is responsible for selecting the Chief Executive Officer of the Corporation and for approving the selection of the members of the senior management team. The Board is also responsible for assessing the performance of the team and providing an effective system of remuneration. These functions are performed with the benefit of advice from the Human Resources and Compensation Committee.</p>

Communication with the management team is through the Chief Executive Officer and the Board is responsible for judging the effectiveness of this officer.

In November 2004, Mr. Gary R. Bardell stepped down as the President and CEO of the Corporation. Mr. Henry R. Reid assumed the position of Interim President and CEO. The Human Resources and Compensation Committee is actively engaged in an executive search for a permanent CEO to provide long-term leadership going forward. The Committee's mandate is to ensure an orderly transition of executive management to the new CEO.

Within the area of human resources the Board is responsible for ensuring that a system of selection and training is in place that will ensure an orderly transition of the Corporation as the CEO and other members of senior management progress and retire.

**d. communications
policy**

Yes

The Board is responsible for the establishment of effective communications between the Corporation, its shareholders and other interested parties. This responsibility includes the timely release of financial statements, reports, notices of material changes, notices of significant events and appropriate preparation for responding to questions. With respect to financial affairs, this responsibility extends to ensuring the integrity of the Corporation's internal control systems. In many of the above areas the Board is assisted by the Audit Committee; in other broader areas the responsibilities are met by the Board as a whole.

The Board is familiar with the public company guidelines in regards to continuous disclosure, regulatory filings and the related processes necessary to achieve these requirements. The Board, either directly or through the activities of the Audit Committee, reviews all quarterly and annual financial statements and related management discussion and analysis, earnings releases, management information circulars, annual information forms and financing documents.

Internal communications are reviewed on a regular basis by the Board. The Board has adopted and is presently implementing a "Whistle-Blower" policy for the Corporation.

**e. integrity of internal
control and
management
information systems.**

Yes

The Board has a responsibility to ensure that the Corporation maintains secure and appropriate internal controls and an effective management information system. Although the existing system is seen to be satisfactory under the present governance requirements, the Corporation has a program underway to identify and upgrade critical areas. As well, a plan is being developed to review and upgrade these systems to ensure compliance with the new requirements for CEO/CFO certification and ongoing oversight of this process by the Audit Committee and Board of Directors.

**TSX CORPORATE
GOVERNANCE GUIDELINES**

**CHURCHILL
ALIGNMENT**

THE CHURCHILL CORPORATION COMPLIANCE STATEMENT

<p>2. A majority of Directors should be “unrelated”.</p>	<p>Yes</p>	<p>The Board is currently composed of seven (7) Directors, five (5) of whom are unrelated. The same seven (7) are proposed for election at the 2005 Annual Meeting of the Corporation.</p>
<p>3. The Board should indicate whether or not each Director is related or unrelated and the basis for such conclusion.</p>	<p>Yes</p>	<p>Mr. Henry R. Reid is the Interim President and Chief Executive Officer of the Corporation and thus is a related Director.</p> <p>Mr. Brian W.L. Tod is Deputy Chairman of the Corporation and a partner of the law firm of Miller Thomson LLP, which the Corporation retains on various matters from time to time and which provides in excess of 25% of the Corporation's external legal services. Due to the extent of these legal services Mr. Tod is considered to be a related Director.</p> <p>The other current Directors, namely Messrs Peter F. Adams, Stanton K. Hooper, Harry A. King, Kim D. McInnes and Winston D. Stothert are free of any interest and any business or other relationship that could, or could reasonably be perceived to, materially interfere with the Director's ability to act with a view to the best interests of the Corporation. They are not associated with major vendors to, or customers of, the Corporation.</p>
<p>4. The Board should appoint a committee of Directors, composed exclusively of outside Directors, a majority of whom should be “unrelated” Directors, to be responsible for the nomination and assessment of Directors.</p>	<p>Yes</p>	<p>The Corporate Governance, Nominating and Risk Management Committee is responsible for the nomination and assessment of Directors. The committee consists of Winston D. Stothert, Stanton K. Hooper and Peter F. Adams, all of whom are unrelated Directors.</p>
<p>5. The Board should implement a process for assessing the effectiveness of the Board, its Committees and individual Directors.</p>	<p>Yes</p>	<p>The Corporate Governance, Nominating and Risk Management Committee has a process of evaluation of the roles performed by the Board and individual Directors during the in-camera sessions included in each meeting. As well, the Committee prepares and reviews the results of a self-assessment questionnaire related to Board Member effectiveness on a regular basis. The Committee reviews the capacity of the Board annually, assesses the gaps in that capacity, and uses this information to determine whether changes and/or additions are required to the Board or the Committee structure. In seeking new Board members, a charter of expectations adopted by the Board is used as a guide.</p>
<p>6. The Board should provide orientation and educational programs for new Directors.</p>	<p>Yes</p>	<p>The high degree of continuity of Directors has enabled them to develop an understanding of the business of the Corporation. The Corporation issues a Director's Manual for new and current Directors, which includes comprehensive background on the Corporation and the</p>

		<p>role and activities of the Board. The manual is updated periodically. New members of the Board receive an orientation from management on the business of the Corporation.</p> <p>Board meetings are periodically held in locations outside of Edmonton where the Corporation has significant business operations. This provides the Board with opportunities to meet with managers and clients, to tour specific construction projects and thereby gain additional insight into the business of the Corporation.</p> <p>Individual Directors regularly attend presentations on various aspects of Board operations and presentations related to the business of the Corporation.</p>
7. The Board should consider reducing the size of the Board, with a view to improving effectiveness.	Yes	<p>The Corporation's Board may consist of a minimum of three and a maximum of fifteen directors. Seven directors have been proposed for election at the 2005 Annual Meeting. The Board considers that from six to ten directors is an efficient and effective size. This size of Board provides a variety of experience and knowledge, breadth of geographic representation, and enough depth to properly perform the work of the Board and its Committees.</p>
8. The Board should review the adequacy and form of Directors' compensation.	Yes	<p>The Human Resources and Compensation Committee has the mandate to review and recommend the remuneration of directors to the Board for its consideration and approval. This Committee periodically conducts a comprehensive review of the level and form of Directors' compensation. This Committee considers time commitment, responsibilities, achievements, risks and the compensation paid to Directors of comparable companies in determining its recommendations.</p>
9. Committees of the Board should generally be composed of outside Directors, a majority of whom should be unrelated. Some Committees (e.g. Executive Committee) may include inside Directors.	Yes	<p>All standing Committees of the Board are composed solely of outside Directors. The majority of the members of all standing Committees of the Board are unrelated Directors.</p> <p>The Board occasionally forms ad-hoc Committees. These Committees are struck to achieve specific objectives or to address certain issues and are generally active for a short duration. Due to the small size of the Board or the members' availability and/or specific expertise, it is sometimes desirable to include inside or related Directors.</p>
10. The Board should assume responsibility for, or appoint a Committee responsible for, developing the Corporation's approach to corporate governance issues.	Yes	<p>The Corporate Governance, Nominating and Risk Management Committee is responsible for determining and recommending to the Board, the Corporation's approach to corporate governance issues, including responses to these governance guidelines. The Corporate Governance, Nominating and Risk Management Committee is comprised entirely of outside Directors, all of whom are also unrelated Directors, and has a specifically defined written mandate approved by the Board.</p>

<p>11. The Board should define limits to management’s responsibilities by developing mandates for:</p>	<p>Yes</p>	<p>The Board is responsible for the stewardship of the Corporation and the orderly conduct of its business, to the benefit of all stakeholders including shareholders, employees, clients, suppliers, partner organizations and the general public. The Board delegates the responsibility for the day-to-day conduct of business to the management of the Corporation, through its Chief Executive Officer, within a policy framework established by the Board. The Board has adopted a formal mandate, a charter of expectations for Directors and policies for Director conduct and the avoidance of conflict of interest.</p>
<p>a. The Board</p>	<p>Yes</p>	<p>The President and Chief Executive Officer is responsible for the management of the Corporation, subject to overall Board supervision, applicable law, and to Board approval of matters having an expenditure, commitment or financial exposure in excess of pre-determined amounts.</p> <p>The mandate of the Chief Executive Officer forms a part of his employment contract and is included in the Director’s Manual.</p>
<p>b. The Chief Executive Officer</p>	<p>Yes</p>	<p>The corporate objectives of the President and Chief Executive Officer are reviewed by the Human Resources and Compensation Committee and by the Board. The objectives are consistent with the strategic plan of the Corporation and have the general mandate to maximize shareholder value.</p>
<p>12. The Board should establish appropriate structures and procedures to enable the Board to function independently of management.</p>	<p>Yes</p>	<p>The offices of the President and Chief Executive Officer and the Chairman are separate.</p> <p>The Board and its Committees can meet at any time independently of management.</p> <p>Further independence is established through the unrelated Chairman and the Corporate Governance, Nominating and Risk Management Committee, which have been given the responsibility for monitoring the Board’s relationship with management.</p> <p>Henry R. Reid, the Interim President and Chief Executive Officer, is the only member of management who serves as a member of the Board.</p> <p>The Board has established a practice of scheduling an in-camera session, excluding the President and Chief Executive Officer, as part of the agenda of each Board meeting to facilitate independent discussion of various issues.</p>

<p>13. a. The Board should establish an Audit Committee with all members being outside and unrelated Directors.</p>	<p>No</p>	<p>The Audit Committee is composed of Harry A. King, Henry R. Reid and Peter F. Adams. Two of the Committee members are outside and unrelated directors while the third, Henry R. Reid, was outside and unrelated until November 2004 when he assumed the role of Interim President and CEO. It is expected that a permanent replacement will be retained for this position in the first two quarters of 2005 thus reinstating Mr. Reid's status as outside and unrelated.</p>
<p>b. All of the members of the Audit Committee should be financially literate and at least one member should have accounting or related financial expertise.</p>	<p>Yes</p>	<p>All members of the Committee are financially literate and two have accounting or related financial expertise as such terms are defined in the corporate governance practice notes and enhanced disclosure guidelines.</p>
<p>c. The Audit Committee should have a specifically defined mandate that sets out its roles and responsibilities.</p>	<p>Yes</p>	<p>The Audit Committee meets regularly with management and the external auditors to ensure appropriate financial control and management information systems are in place and to review the quarterly and annual financial statements and recommend approval of those financial statements by the Board.</p> <p>The Audit Committee has a defined mandate which is included in the Director's Manual and which sets out its roles and responsibilities.</p>
<p>14. The Board should implement a system to enable individual Directors to engage outside advisors, at the Corporation's expense.</p>	<p>Yes</p>	<p>An individual Director may engage outside advisors at any time at the Corporation's expense, with the prior approval of the Chairman of the Corporation or, in his absence, the Chairman of the Corporate Governance, Nominating and Risk Management Committee.</p>

MANDATE OF THE BOARD OF DIRECTORS

The Board of Directors of the Churchill Corporation is responsible for the stewardship of the Corporation and the orderly conduct of its business, to the benefit of all stakeholders, including shareholders, employees, clients, suppliers, partner organizations and the general public. The Board delegates the responsibility for the day-to-day conduct of business to the management of the Corporation through its Chief Executive Officer, within a policy framework established by the Board.

The Board's major responsibilities are to:

- Ensure that the Corporation adopts a strategic planning process.
- Review and monitor the Corporation's principal business risks, as identified by management and the Board, and the systems and strategies in place to manage such risks.
- Monitor the performance of senior management and ensure that management provides for succession planning.
- Ensure that policies and structures are in place to ensure appropriate and effective corporate communications.
- Ensure that management provides for the integrity of the Corporation's internal control and management information systems.

In general, the Board discharges its responsibilities through regular meetings of the full Board, through meetings of its standing Committees, through delegation to management and through a variety of other mechanisms.

There were nine (9) meetings of the Board and one (1) strategic planning session in 2004. There have been six (6) meetings of the Board thus far in 2005. A minimum of five (5) additional meetings of the Board and one (1) strategic planning session are scheduled for the balance of 2005. The agenda of Board meetings, and whether additional meetings are held, will depend on the state of the Corporation's affairs. In 2004, other than telephone conference Board Meetings, all other Board meetings, as well as the Strategic Planning meeting, were held in Edmonton, Alberta.

COMMITTEES OF THE BOARD

Audit Committee

This Committee approves, monitors, evaluates, advises and makes recommendations on matters affecting the external audit and the financial reporting and accounting control policies and practices of the Corporation, including, but not limited to:

- Review of the quarterly financial statements, quarterly Management's Discussion and Analysis, press releases related to annual and quarterly financial performance and any other material financial information.
- Review of the annual audited financial statements and the Management's Discussion and Analysis section of the annual report prior to review and approval by the full Board.
- Review of the terms of the engagement of the external auditor and the audit plan, and meet privately with the external auditors as requested or required, but at least on an annual basis.

Corporate Governance, Nominating and Risk Management Committee

The Corporate Governance, Nominating and Risk Management Committee is comprised entirely of outside Directors, all of whom are also unrelated Directors. This Committee is responsible for assisting the Board in ensuring that effective corporate governance, nominating and risk identification and management policies and procedures have been developed and effectively implemented. The Committee monitors, evaluates, advises and makes recommendations on matters affecting corporate governance, nominating and risk management policies and procedures, including, but not limited to:

- Providing a forum for all Directors to express their views or concerns regarding the operation of the Corporation, independent of management and the full Board.
- Considering developments in the area of corporate governance and any other matters which would assist the Board in meeting its corporate governance mandate and adherence to any corporate governance guidelines established by relevant regulatory bodies.
- Identifying, proposing and recruiting new nominees to the Board in consultation with the Chairman and the President and Chief Executive Officer.
- Ensuring there is an orientation and education program in place for Directors.
- Ensuring that both the composition and size of the Board are appropriate.
- Monitoring the management processes and corporate policies for identifying and managing risk, including insurance coverage and contingency planning for certain potential events and developments.
- Reviewing the risk and risk management segment of the Annual Information Form of the Corporation.

Human Resources and Compensation Committee

The Human Resources and Compensation Committee is comprised entirely of outside Directors, two (2) of the three (3) of whom are unrelated Directors. This Committee makes recommendations to the full Board on matters including, but not limited to:

- Compensation policies and guidelines for the Corporation and its subsidiaries that reflect the rationale for each element of executive compensation.
- Policy and administration of the Employees and Directors Share Option Plan on behalf of the Corporation.
- Executive management compensation, including bonuses, stock options and benefits.
- Performance objectives, performance evaluation and compensation of the President and Chief Executive Officer.
- Succession planning for the Corporation's executive management positions.
- Compensation of the Board, its Chairman and the Chairman and members of the Committees of the Board.

Ad-hoc Committees

The Board occasionally forms ad-hoc Committees. These Committees are struck to achieve specific objectives or to address certain issues and are generally active for a short, or set, duration. Late in 2004, the Directors, together with senior management, formed a Special Committee. This Committee was struck as a result of increasing concerns from the Board regarding poorer than expected financial results for the Corporation that occurred over several quarters in 2004. The Committee's mandate is to review the operational and control systems of the segments of the Corporation experiencing difficulties, and to implement measures for improvement.

EXECUTIVE COMPENSATION

The following table provides a summary of the total compensation earned during each of the last three (3) financial years by the President and Chief Executive Officer, the Chief Financial Officer and the three (3) other Executive Officers (other than the President and the Chief Financial Officer) of the Corporation employed at December 31, 2004 who had the highest individual aggregate salary and bonuses during the financial year ended December 31, 2004 (collectively, the “**Named Executive Officers**”).

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation	All Other Compensation (4) (\$)
		Salary (\$)	Bonus (1) (\$)	Other Annual Compensation (2) (\$)	Securities under Options Granted During Year (3) (#)	
G. R. Bardell (5) President and Chief Executive Officer The Churchill Corporation	2004	260,000	NIL	81,695	NIL	24,702
	2003	260,000	NIL	66,427	(10)100,000	27,905
	2002	230,000	NIL	15,725	NIL	24,578
H. R. Reid (6) Interim President and Chief Executive Officer, The Churchill Corporation	2004	64,875	NIL	159,720	NIL	NIL
	2003	86,750	NIL	3,420	NIL	6,978
	2002	260,000	NIL	13,680	NIL	27,877
I.T. Morris (7) Vice President Finance, Chief Financial Officer and Corporate Secretary	2004	206,700	NIL	14,067	NIL	22,254
	2003	195,000	NIL	14,159	NIL	21,003
	2002	84,579	NIL	5,696	100,000	9,039
L. B. Rintoul Vice President Industrial The Churchill Corporation	2004	212,160	NIL	17,204	NIL	22,853
	2003	204,000	NIL	16,735	NIL	21,983
	2002	200,000	NIL	229,404	NIL	21,508
A. W. Stowkowy (8) President and Chief Operating Officer Stuart Olson Construction	2004	208,000	15,555	65,737	NIL	22,420
	2003	200,000	NIL	18,580	90,000	22,471
	2002	173,000	NIL	18,168	NIL	17,659
D. H. Goedbloed (9) Executive Vice President Stuart Olson Construction	2004	178,880	4,000	60,693	NIL	19,295
	2003	172,000	NIL	16,482	15,000	18,976
	2002	160,000	NIL	16,829	NIL	16,799

Notes:

1. Represents bonuses earned and calculated with respect to the indicated financial year.
2. Represents contributions by the Corporation through car allowances, club fees, and gains on exercise of Common Share options granted under the Employees and Directors Share Option Plan. Gains on options included in Other Annual Compensation are: 2004 (also included in “Aggregate Options Exercised During the Financial Year Ended December 31, 2004 and the Year-End Option Values for the Named Executive Officers”): G.R. Bardell - \$67,300, H.R. Reid - \$159,720, A.W. Stowkowy - \$46,800, D.H. Goedbloed - \$43,560; 2003: G.R. Bardell - \$48,500, 2002: L. B. Rintoul - \$212,885.
3. Relates to aggregate number of Common Share options granted in each financial year under the Employees and Directors Share Option Plan.
4. Represents contributions by the Corporation under Registered Retirement Savings Plan, Employee Share Ownership Plan and Life Insurance Plan.
5. Mr. Bardell was President and Chief Operating Officer of Stuart Olson Construction through October 1, 2002, after which he became the President and Chief Executive Officer of the Corporation. Mr. Bardell stepped down from the position of President and Chief Executive Officer on November 15, 2004. He continues to be employed by the Corporation as an advisor to the President and Board of Directors. The information set forth above includes his compensation for all of 2004.
6. Mr. Reid was President and Chief Executive Officer from 1991 to 2002 at which time he acted as a consultant to the Corporation until his subsequent retirement in March 2003. He returned in November

2004 as the Interim President and Chief Executive Officer of the Corporation. The information set forth above includes an hourly rate based compensation paid to him from November, when he assumed this role, until December 31, 2004. The total amount for this period is \$23,000. In addition, during the year, he received Director's fees of \$41,875. Both of these amounts are included in the "salary" column for 2004. In 2003, the amount in the "salary" column includes his salary until retirement of \$65,000 and then Director's fees of \$21,750, thereafter.

7. Mr. Morris joined Churchill as Vice President Finance and Chief Financial Officer on July 15, 2002. The information set forth above includes the compensation paid to him for the balance of 2002. Mr Morris left the Corporation's employ in January 2005.
8. Mr. Stowkowy was Senior Vice President of Stuart Olson Construction through October 1, 2002 when he succeeded Mr. Bardell as President and Chief Operating Officer of Stuart Olson Construction.
9. Mr. Goedbloed was Senior Vice President of Stuart Olson Construction through October 1, 2002 when he was promoted to Executive Vice President of Stuart Olson Construction.
10. These options were subsequently cancelled in November 2004, in accordance with a new employment agreement with Mr. Bardell.

Long-Term Incentive Plan – Awards Made During the Year Ended December 31, 2004

The Corporation's "Long-Term Incentive Plan" consists of the award of stock options as outlined in the "Summary Compensation Table", "Options Granted during Year Ended December 31, 2004" and as described under the "Share Option Plan" sections of this Information Circular. No options, stock appreciation rights or restricted shares were granted by the Corporation during the financial year ended December 31, 2004, nor were any stock appreciation rights or restricted shares exercised. The Corporation did not make any downward repricing of stock options or stock appreciation rights during the financial year ended December 31, 2004, or prior thereto.

Options Granted During the Year Ended December 31, 2004

During the financial year ended December 31, 2004, no options to purchase Common Shares of the Corporation were granted to officers, employees or Directors of the Corporation.

Aggregate Options Exercised During the Financial Year Ended December 31, 2004 and the Year-End Option Values for the Named Executive Officers

Options on an aggregate of 262,000 Common Shares of the Corporation granted under the Employees and Directors Share Option Plan were exercised in 2004 by the Named Executive Officers. The following table discloses options exercised in 2004 by, and the year-end option values for, the Named Executive Officers:

Name	Common Shares Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options at Financial Year-End Number Exercisable * Unexercisable (#)	Value of Unexercised in-the-money Options at Financial Year-End Exercisable * Unexercisable (\$) (1)
G.R. Bardell	55,000	67,300	45,000*0	36,450*0
H. R. Reid	132,000	159,720	70,000*0	56,700*0
I.T. Morris	NIL	N/A	66,667*33,333	0*0
L.B. Rintoul	NIL	N/A	73,334*0	70,734*0
A. W. Stowkowy	39,000	46,800	85,000*30,000	20,250*0
D. H. Goedbloed	36,000	43,560	35,000*5,000	20,250*0

Note:

1. Does not include any estimate of brokerage commission costs on disposition. The December 31, 2004 TSX closing price of \$2.45 was used, less the appropriate exercise price.

Share Option Plan

The Corporation adopted a stock option plan in 1994, initially under a plan entitled Employees and Directors Share Purchase Plan (the “**Initial Option Plan**”). This Initial Option Plan was approved by the Shareholders and The Alberta Stock Exchange in 1994. The Initial Option Plan permitted the issuance of options to employees and directors representing up to ten (10%) percent of the issued and outstanding Common Shares of the Corporation. Minor amendments were made to the Initial Option Plan from time to time.

On November 12, 1999, the Directors of the Corporation unanimously adopted an Amended and Restated Employees and Directors Share Option Plan (the “**New Option Plan**”), replacing the Initial Option Plan. In addition to the change in name of the Plan, the New Option Plan also included the following amendments:

- Established a limit on the aggregate number of Common Share options that could be granted of 1,056,787, being ten (10%) percent of the Common Shares of the Corporation issued and outstanding on the date that the Corporation made application to list its Common Shares for trading on the TSX.
- Modified the mechanism under which the exercise price of options granted under the Plan was set at the market price of the Common Shares, consistent with the policies of the TSX.
- Removed a provision of the Initial Option Plan under which the exercise price of granted options was to be reduced by the amount of any dividends per share declared between the date of grant and the date of exercise of the options.
- Provided for the acceleration of vesting of options granted in the event of a change of control of the Corporation (as defined in the New Option Plan).
- Expanded the persons eligible to participate in the Plan to more clearly include officers, employees, Directors and consultants of the Corporation and its subsidiaries.
- Provided the Board with the discretion to provide an optionee with a further grant of options within a twelve (12) - month period following a previous grant of options.
- Extended the period of time within which a Participant must exercise vested options in the event of the Participant ceasing to be an officer, consultant, employee or director prior to those options expiring to ninety (90) days or, in the event of the death or permanent disability of a Participant, to one year.
- Clarified that no person may hold options that, together with any options held under the Churchill Employee Trust, represent more than five (5%) percent of the outstanding Common Shares of the Corporation.
- Provided the Board with the discretion to determine vesting provisions of granted options and the term of options, which could not exceed five (5) years.

The granting of options must comply with the policies and procedures of the TSX and with the New Option Plan. The Board from time to time, on the recommendation of the Human Resources and Compensation Committee, approves the granting of options based on the number of options available and the role and performance of the proposed recipients.

The New Option Plan was approved by the TSX. At the Annual and Special Meeting of Shareholders held May 17, 2000, the shareholders of the Corporation passed an ordinary resolution amending the New Option Plan to increase the aggregate number of shares issuable under the New Option Plan to 1,600,000 Common Shares and to permit the maximum term of the options granted under the New Option Plan to be increased from five (5) years to ten (10) years. The New Option Plan was further amended by the Board on March 20, 2001 to increase the number of Common Shares issuable under the New Option Plan from 1,600,000 Common Shares to 1,675,000 Common Shares and this amendment was approved at the Annual and Special Meeting of Shareholders held May 16, 2001. The New Option Plan was further amended by the Board on March 18, 2003 to increase the number of Common Shares issuable under the New Option Plan from 1,675,000 Common Shares to 2,135,666 Common Shares. This amendment was approved at the Annual and Special Meeting of Shareholders held May 14, 2003. As of December 31, 2004, there were 461,666 options available for grant under the New Option Plan.

The following table provides certain information regarding securities authorized for issuance under Equity Compensation Plans as of December 31, 2004.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column a) (c)
Equity compensation plans approved by securityholders	564,334 Common Shares	\$2.35 per Common Share	461,666 Common Shares
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	564,334 Common Shares	\$2.35 per Common Share	461,666 Common Shares

Employee Share Ownership Plan

The Corporation maintains an Employee Share Ownership Plan under which employees of the Corporation and its subsidiaries are eligible to make contributions to the Plan, which are then matched by the Corporation up to a maximum of 5% of the employees' base salary during 2004. All contributions are invested in Common Shares of Churchill which are purchased on the open market by the Plan Administrator through the TSX and are vested continuously after the first three (3) months following initial enrolment in the Plan.

Registered Retirement Savings Plan

The Corporation maintains a Registered Retirement Savings Plan under which employees of the Corporation and its subsidiaries are able to make contributions to the Plan, which are then matched by the Corporation up to a maximum of 5% of the employees' base salaries. Employees must direct their contributions to a Registered Retirement Savings Plan up to the maximum permitted by the Canada Revenue Agency and to a non-registered Plan for the balance. Contributions are vested immediately.

EMPLOYMENT CONTRACTS

The Corporation has entered into employment agreements with all six of the Named Executive Officers.

A new employment agreement with Mr. Bardell was made effective November 2004 at the time he stepped down as President and CEO of the Corporation. The terms of the agreement include continuation of employment to a set date of November 15, 2006, as well as a withdrawal from participation in certain of the Corporation's benefit programs, including the employee share ownership and registered retirement savings plans. The agreement also includes a cancellation of 100,000 options awarded to him in 2003.

The employment agreement with Mr. Reid was instituted in November 2004 when he assumed the role of Interim President and CEO of the Corporation. The agreement provides for compensation for his services, as required, at an hourly reimbursement rate.

The employment agreement with Mr. Morris was made effective June 26, 2002. It includes a provision that, in the event of termination of employment without cause or by constructive dismissal, Mr. Morris is entitled to the payment by the Corporation of a cash amount equal to: 12 months continuation of base salary plus certain benefits plus an additional one month of salary continuance per each additional year of service to a combined maximum of 18 months salary continuance, offset by 50% of any income and benefits from part-time employment base salary and benefits to a maximum reduction of 50% of gross amount otherwise due or, in the event of full-time employment, a lump sum payment equal to 50% of the remaining salary payments owing at such date. Mr. Morris' employment agreement includes a covenant not to solicit employees or clients of the Corporation for a certain period within a certain geographic region following termination of employment with the Corporation.

The employment agreement with Mr. Rintoul was made effective February 7, 2000. It includes a

provision that, in the event of termination of employment without cause or by constructive dismissal, Mr. Rintoul is entitled to the payment by the Corporation of a cash amount equal to: 12 months of his then current base salary plus one and one-half months of his then current base salary per each additional year of service, after the first year of employment, to a maximum of 18 months of his then current base salary. Mr. Rintoul's employment agreement includes a covenant not to compete with the Corporation and not to solicit employees or clients of the Corporation for a certain period within a certain geographic region following termination of employment with the Corporation.

The employment agreement with Mr. Stowkowy was made effective January 1, 2001. It includes a provision that, in the event of termination of employment without cause or by constructive dismissal, Mr. Stowkowy is entitled to the payment by Stuart Olson Construction of a cash amount equal to: a pro-rata portion of his current year bonus entitlement; plus 14 months of his then current base salary plus one month additional base salary per each additional year of service to a combined maximum of 18 months base salary, or, at the option of Mr. Stowkowy, 18 months continuation of base salary plus certain benefits plus an additional one month of salary continuance per each additional year of service to a combined maximum of 24 months salary continuance, offset by 50% of any income and benefits from part-time employment base salary and benefits to a maximum reduction of 50% of gross amount otherwise due or, in the event of full-time employment, a lump sum payment equal to the remaining salary payments owing at such date. Mr. Stowkowy's employment agreement includes a covenant not to compete with Stuart Olson Construction and not to solicit employees or clients of Stuart Olson Construction for a certain period within a certain geographic region following termination of employment with Stuart Olson Construction.

The employment agreement with Mr. Goedbloed was made effective January 1, 2001. It includes a provision that, in the event of termination of employment without cause or by constructive dismissal, Mr. Goedbloed is entitled to the payment by Stuart Olson Construction of a cash amount equal to: a pro-rata portion of his current year bonus entitlement; plus 18 months of his then current base salary, or, at the option of Mr. Goedbloed, 24 months continuation of base salary plus certain benefits, offset by 50% of any income and benefits from part-time employment base salary and benefits to a maximum reduction of 50% of gross amount otherwise due or, in the event of full-time employment, a lump sum payment equal to the remaining salary payments owing at such date. Mr. Goedbloed's employment agreement includes a covenant not to compete with Stuart Olson Construction and not to solicit employees or clients of Stuart Olson Construction for a certain period within a certain geographic region following termination of employment with Stuart Olson Construction.

REPORT OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

Role and Composition of the Human Resources and Compensation Committee

The Corporation's executive compensation policies and programs are administered by the Human Resources and Compensation Committee on behalf of the Board. It is the Committee's responsibility to: monitor and periodically review the design and competitiveness of the Corporation's general compensation and benefit programs; make compensation recommendations to the Board for the President and Chief Executive Officer, for the Board, its Chairman and Chairmen and members of Committees of the Board; and make recommendations to the Board on other issues related to its terms of reference, as set out on page 15 of this Management Information Circular.

Since the May 17, 2004 Annual and Special Meeting of Shareholders, the Committee has been composed of three outside Directors, two of whom are unrelated Directors: Kim D. McInnes (Chairman of the Committee), Peter F. Adams and Brian W.L. Tod.

Compensation Philosophy

The Corporation's executive compensation policies and programs are intended to maintain an appropriate relationship between executive compensation and the creation of shareholder value, and to reward the senior executive group for sustained growth in earnings of the Corporation and the achievement of performance goals. The objectives of the compensation policies and programs are to:

- Align the economic interests of the executive management group with the long-term interests of the shareholders through share option grants, the value of which will depend on the market value of the Common Shares of the Corporation, which in turn is linked to the long-term profitability and growth of the Corporation.
- Provide compensation reasonably comparable to other Canadian construction companies of similar size and market capitalization, so that the Corporation can attract, motivate and retain talented executives necessary for the Corporation's long-term success.
- Encourage employees to remain as employees and to become owners of Common Shares of the Corporation.
- Motivate the executive management group to achieve continuously improving financial performance and to reward them for such achievement.

The Corporation's executive compensation policy is to pay a base salary that is at or above the industry median and to combine this base salary level with other forms of incentive, including stock options and non-cash compensation that collectively reflect industry practice.

The elements of the Corporation's executive compensation plan are: (i) base salaries; (ii) bonus plans; (iii) benefit plans, including participation in the Registered Retirement Savings Plan contribution program and the Employee Share Ownership Plan; and (iv) share options under the Employees and Directors Share Option Plan, as outlined elsewhere in this Management Information Circular.

Base Salaries

The magnitude of an executive's base salary is a factor of what organizations in the Canadian construction industry of comparable size and complexity are paying for similar positions, the level of responsibility and importance of the position to the Corporation and the individual performance of that executive.

The Committee relies upon the knowledge and experience of its members and other members of the Board regarding appropriate levels of executive base salaries and, in addition, periodically acquires independent studies and retains independent third parties to provide data on executive salaries, bonuses and stock option plans in construction companies and in other Canadian public companies of similar size and market capitalization.

Bonus Compensation

The bonus plans of the Corporation and its subsidiaries enable participants to receive an annual award of up to a maximum pre-determined percentage of their base salaries, depending on the position of a participant, ranging from 5% to 50%, with a higher maximum for the President and Chief Executive Officer. In the event of exceptional performance by the Corporation and a participant, the Board has discretion to exceed the maximum percentage bonus levels.

The Corporation changed its system in 2003 by establishing bonus pools to reflect the performance of the various units that make up its subsidiary companies and the Corporation as a whole. For the 2004 year, the bonus pools are based on Earnings before Tax for each individual unit, after appropriate allocation of corporate and subsidiary overheads. Thus a particular unit might be awarded a bonus pool based on its performance, whether or not the subsidiary itself, or the Corporation as a whole, is profitable. The

philosophy underlying this change is to provide incentive for improved performance of the work for which that unit is responsible.

Share Options

Long-term incentives for executive officers and middle management have been provided through stock options granted under the Employees and Directors Share Option Plan. In recommending option grants, the Committee considers:

- The performance of the proposed recipient.
- 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 number and vesting status of options issued to the proposed recipient in the past.

The Committee also considers the level of share option grants to be provided to recruit new senior executives to the Corporation and its subsidiaries. (Refer to the “Employees and Directors Share Option Plan” and related sections of this Management Information Circular for more information on the option plans).

Compensation of the President and Chief Executive Officer

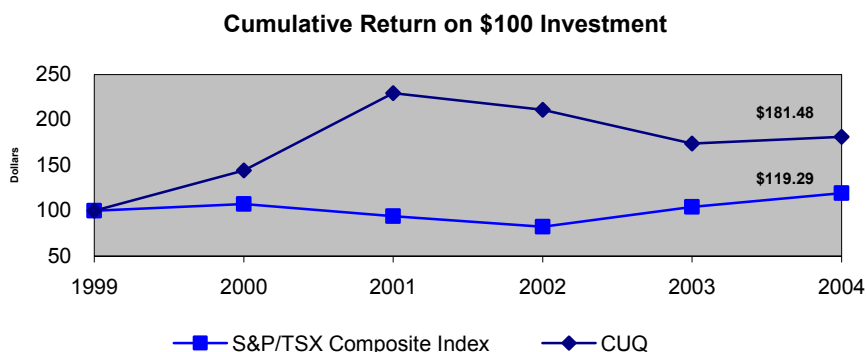
The compensation of the President and Chief Executive Officer of the Corporation is determined by the same procedures used to develop and modify compensation arrangements for other executives and is composed of (i) base salary; (ii) bonus; (iii) benefits; and (iv) stock options under the Corporation’s Employees and Directors Share Option Plan.

Mr. Bardell, the President and CEO until November 2004, received a base salary of \$260,000 for the year. Mr. Bardell was not awarded a bonus based on 2004.

Mr. Bardell had previously been granted options to acquire Common Shares, of which he held 200,000 as at January 1, 2004. He exercised 55,000 during the year and another 100,000 were cancelled as per his new employment agreement in November, 2004.

PERFORMANCE GRAPH

The following graph illustrates the yearly and cumulative total return on the Corporation’s Common Shares (assuming a \$100 investment was made on December 31, 1999) compared with the cumulative total return of the S&P/TSX Composite Index. The Corporation has paid no dividends and thus it was not necessary to make any assumption on dividend reinvestment in the calculations.



The Corporation’s Common Shares were traded on The Alberta Stock Exchange / Canadian Venture Exchange through January 25, 2000 and were also listed for trading on the TSX from December 8, 1999.

\$	Dec-31-99	Dec-31-00	Dec-31-01	Dec-31-02	Dec-31-03	Dec-31-04
CUQ	100.00	144.44	229.63	211.11	174.07	181.48
S&P/TSX Composite Index	100.00	107.41	93.91	82.23	104.20	119.29

DIRECTORS' COMPENSATION

During 2004, Directors of the Corporation, other than the Chairman and the President and Chief Executive Officer, each received an annual retainer and fees for meetings of the Board and for participation in the various standing Committees of the Board. During 2004 the annual retainer was \$15,000 and the meeting fees were \$1,000 for Board meetings and \$750 for Committee meetings, while Committee Chairmen received \$1,000 per Committee meeting. In 2004, the Chairman of the Board received, in addition to meeting fees, an annual retainer of \$35,000, in place of the \$15,000 annual retainer paid to other Directors of the Corporation. The President and Chief Executive Officer received no additional compensation for serving as a Director. Directors are also reimbursed for travel and other expenses incurred in respect of their activity as Directors. The total earned in retainers and fees for these services by Directors in 2004 was \$223,000.

At December 31, 2004, 121,000 options were held by non-management Directors pursuant to the Employees and Directors Share Option Plan. This total includes options to purchase 96,000 shares at \$1.64 per share and 25,000 shares at \$3.84 per share. None of these 121,000 options were granted in 2004. During 2004, 120,000 options were exercised by non-management Directors at an exercise price of \$1.29 per share.

In late 2004 Churchill set up a new Special Committee of the Board of Directors with the mandate to work with senior management to review the operational and control systems and to implement measures for improvement. The compensation for the Committee members is over and above the fees and disbursements contemplated in their role as Directors and members of the Corporation's various standing Committees. This Committee is expected to operate through the first two quarters of 2005. The amount paid during 2004 to the Special Committee members was \$62,000. This amount is in addition to the retainers and fees listed above in this section.

INDEBTEDNESS OF EXECUTIVE OFFICERS

In October 2002, the Corporation provided an interest-bearing, demand loan to the former President and Chief Executive Officer, Gary R. Bardell to assist with housing arrangements in Edmonton. Mr. Bardell continues to be employed by the Corporation and maintains offices in both Calgary and Edmonton. At December 31, 2004 the balance outstanding was \$30,000. The interest rate was set at the Canada Revenue Agency prescribed rate at the time of the agreement.

In addition, market rent payments of \$24,000 were made by the Corporation in relation to this housing.

Information with respect to the loan is provided in the following table.

Name of Debtor and Principal Position	Involvement of the Corporation	Largest Amount Outstanding Since October 2002	Outstanding as at March 29, 2005	Applicable Interest Rate	Financially Assisted Securities Purchased	Security for Indebtedness	Amount Forgiven
Gary Bardell	Lender	\$40,000	\$25,000	2% per annum	Nil	Nil	Nil

INTERESTS OF PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth herein and below, or as previously disclosed, the Corporation is not aware of any material interests, direct or indirect, of any Director or Executive Officer, proposed nominee for election as a Director or any shareholder holding more than 10% of the voting rights attached to the Common Shares or any associate of any 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.

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.**

Upon request being made by any person to the Corporate Secretary of the Corporation, the Corporation shall provide to that person the following:

- a) one copy of the Annual Information Form of the Corporation, together with one copy of any document or the pertinent pages of such documents incorporated by reference therein;
- b) one copy of the Corporation's comparative financial statements for its most recently completed financial year, together with accompanying report of the auditor, and one copy of any interim financial statements of the Corporation subsequent to the financial statements for the most recently completed financial year; and
- c) one copy of the Proxy Statement and Management Information Circular of the Corporation in respect of its most recent annual meeting of Shareholders that involved the election of Directors.

The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a security holder of the Corporation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial Information of 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, 12836 - 146 Street, Edmonton, Alberta T5L 2H7 to obtain a copy of the Corporation's most recent financial statements and Management's Discussion and Analysis.

GENERAL

Except as otherwise indicated, the information contained herein is given as of March 29, 2005 (the "Effective Date").

With respect to the matters to be brought before the Meeting, items A, B and C require an "ordinary resolution" for passing of same, being a simple majority of the votes cast at the Meeting by the holders of Common Shares present in person or by proxy.

If a majority of the Common Shares represented at the Meeting should be voted to withhold the appointment of Deloitte & Touche LLP, as the auditors of the Corporation (item C), the Board will appoint another firm of Chartered Accountants based upon the recommendation of the Audit Committee, which appointment for any period subsequent to the 2006 meeting of the Shareholders shall be subject to approval by the Shareholders.

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

CERTIFICATE

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

EDMONTON, ALBERTA

March 29, 2005

A handwritten signature in black ink, appearing to read 'H. Reid', written in a cursive style.

**Henry R. Reid, MBA, P.Eng.
Interim President and
Chief Executive Officer**

A handwritten signature in black ink, appearing to read 'DeEtte Mack', written in a cursive style.

**DeEtte Mack, B.Comm, CA
Corporate Controller**