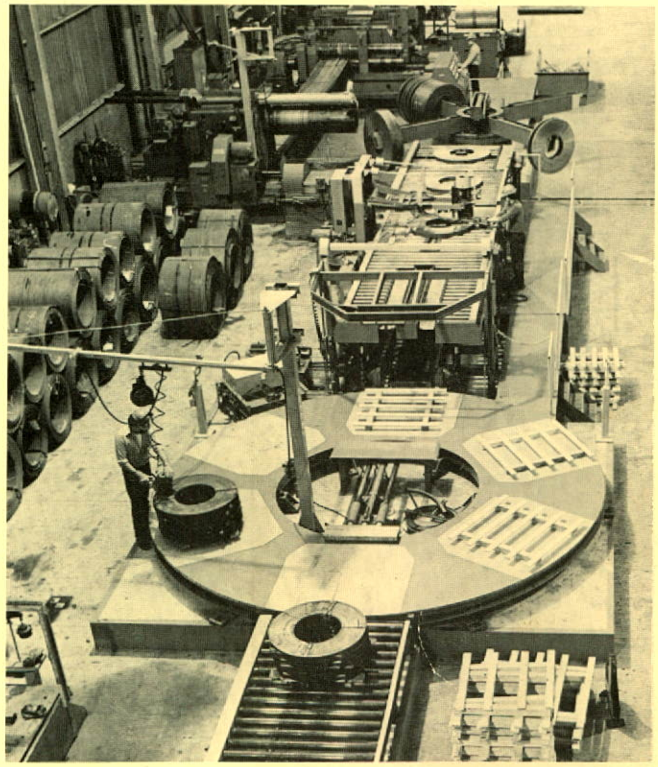
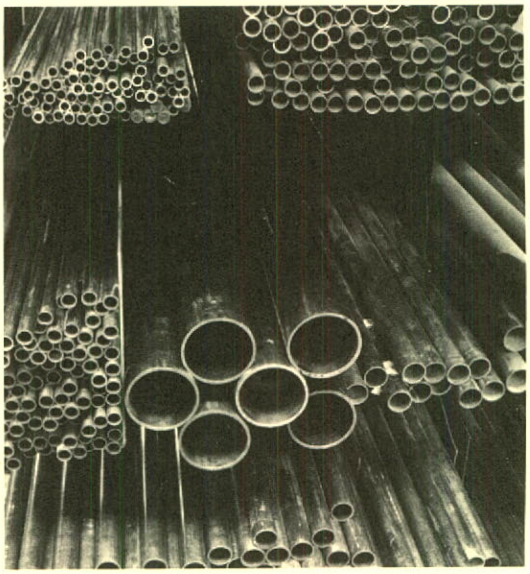
Drummond McCall Inc. Annual Report 1982





The Corporation and its Business

Drummond McCall is a leading processor and distributor of metals in Canada. Since commencing business in 1881, as a wholesaler in Montreal, the Corporation has grown and developed by adding new lines of ferrous and non-ferrous metals to its product line and by establishing modern, well equipped plants across the country staffed with capable and experienced personnel.

Today Drummond McCall supplies, in all grades and forms, carbon and alloy steels, stainless steel, chain, aluminum, brass, copper and nickel products to more than 14,000 different customers in a year.

The Corporation's principal plants are located in Canada's larger industrial centres — Halifax, Montreal, Toronto/Hamilton, Winnipeg, Calgary, Edmonton and Vancouver — and it also has smaller plants and sales offices in twelve other cities in Canada and in two cities in the New England states.

Drummond McCall purchases a large portion of its metals requirements from Canada's leading primary metal producers and from foreign producers around the world.

Statistics indicate that metals distributors account for roughly 15-20% of all semifabricated metal products sold in Canada and Drummond McCall's share of the distributors' market is estimated at 10-15%.

Approximately 80% of the Corporation's sales volume is for steel and its alloys, and the other 20% is for other metal products. Its customers are involved in a wide range of primary and secondary industries including, among others, the construction, agricultural, petrochemical, automotive, electrical, shipbuilding, mining, forestry and pulp and paper industries. Orders for products can range, for example, from a single small piece of a special nickel alloy to many tons of carbon steel bars, plates and structural shapes.

As a distributor, Drummond McCall stocks thousands of different items in its plants and reduces the need for its customers to finance and provide space for inventories.

Drummond McCall has the equipment and the expertise to saw, flame cut, slit, shear, edge, flatten, clean and paint metal to meet each customer's own requirements and specifications. These services have freed customers from the need to make capital outlays for equipment which often would be underemployed.

With its extensive inventories of metals and its processing equipment, Drummond McCall has become an extension of the operations of its thousands of customers across the country. Above all, it is the people at Drummond McCall who provide the service which makes the Corporation a leading metals processor and distributor.

Financial Highlights

(In thousands of dollars except where noted by asterisk)

Annual Results

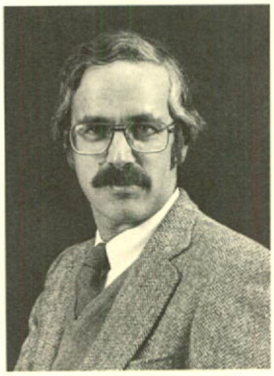
	1982	1981
Sales	**$199,800**	$274,722
Earnings (Loss) before Income Taxes	**(13,903)**	434
Earnings (Loss)	**(10,650)**	430
Earnings (Loss) per Share*	**(3.01)**	.12
Dividends per Share*	**.10**	.75
Shareholders' Equity per Share*	**10.32**	13.44
Return on Sales	**(5.3%)**	.2%
Return on Average Shareholders' Equity	**(25.1%)**	.9%
Total Assets	**99,439**	143,066
Long Term Debt	**22,839**	24,110
Working Capital	**29,530**	44,724

Quarterly Results

	Sales		Earnings (Loss) After Tax		Earnings (Loss) Per Share*	
Quarter	1982	1981	1982	1981	1982	1981
First	$ 63,068	$ 64,267	$ (1,398)	$1,267	$ (0.40)	$0.37
Second	56,801	71,842	(3,280)	572	(0.93)	0.16
Third	42,649	73,106	(3,905)	304	(1.10)	0.08
Fourth	37,282	65,507	(2,067)	(1,713)	(0.58)	(0.49)
Total	$199,800	$274,722	$ (10,650)	$ 430	$ (3.01)	$0.12

The Annual Meeting of Shareholders of Drummond McCall Inc. will be held in Le Château Champlain hotel, Place du Canada, Montreal, Quebec, on Thursday, the 12th day of May, 1983, at 11:30 a.m.

On pourra se procurer le texte français de ce rapport annuel en s'adressant au secrétaire de la Société, case postale 219, Succursale A, Montréal, Québec H3C 2S4.



Derek A. Drummond

Jeffrey G. Marshall

Directors' Report to Shareholders

By any standard of measurement, 1982 was the most difficult year for the metals distribution industry in many decades. Each successive month saw business activity decline dramatically. By the middle of the year virtually every metals distributor was scrambling to reduce bank debt through inventory reduction. The result was a market place in which it became impossible to maintain both sales volume and reasonable markup percentages. Throughout 1982, the industry in Canada operated at ever increasing losses before the application of interest expense.

Drummond McCall's sales decreased in each successive quarter until by fourth quarter the Corporation was operating at less than 60% of first quarter volume. Overall, 1982 sales were $200 million, down 27% from the 1981 level of $275 million.

As mentioned earlier, a decline in markup percentage accompanied the sales drop. These additive conditions kept the goal of breaking even continually out of reach, despite severe reductions in the Corporation's operating expenses.

It was not until the fourth quarter that the disturbing trend of the losses could be arrested. In total, Drummond McCall lost $10.7 million which resulted in a reduction of its equity base to $36.5 million. The book value at year end was $10.32 per share. This is only the second year that the Corporation has incurred a loss since incorporation in 1913.

Without the immediate implementation of the reorganization and consolidation program in the first quarter, the results would have been far worse. When it became evident that the market for the Corporation's products was collapsing, management focused its attention on the dual goals of expense reduction and maintenance of the integrity of the Corporation's balance sheet.

Examples of the implementation of this policy during this year of extreme contraction are as follows:

- The current ratio has improved from 1.65:1 to 1.74:1.
- The total interest bearing debt to equity ratio has improved from 1.49:1 to 1.10:1.
- Inventories have been reduced by $26.5 million (36%) to $46.4 million.
- Short term bank indebtedness has been reduced by $29.3 million (64%) to $16.3 million.

Thus despite the loss of $10.7 million, the Corporation remains financially strong.

In British Columbia warehousing was discontinued in Victoria, Kelowna, Nanaimo and Prince George and customers' requirements for metals are being supplied from the Vancouver warehouse. An integral part of the consolidation of these plants was a capital expenditure program of approximately $500,000 for improvements in the Vancouver facilities.

In Ontario the Toronto, Kingston and Sudbury warehouses have been closed. These market areas are now being supplied from the Hamilton warehouse which has been made more efficient by extensive modifications all of which involved capital expenditures totalling approximately $1.2 million.

During 1982 warehousing was discontinued at Quebec City and Thetford Mines, Quebec. Capital expenditures totalling approximately $1.0 million were made at Montreal during the year and these included a slitter, which was relocated from Waterbury, Connecticut, where the Corporation's warehousing operations are being phased out.

In the United States, the warehousing operations are being rationalized and the plant at Bridgeport, Connecticut will shortly be the Corporation's principal warehouse in the United States.

Sales coverage has been maintained in all areas where warehousing has been discontinued.

In summary, the 1.4 million square feet of warehouse space in use at the beginning of 1982 has been reduced to 900,000 square feet. When rented the revenues are expected to produce sufficient income to offset the carrying charges on the vacated facilities.

In total, $3.2 million was spent in 1982 on capital additions for the completion of projects commenced prior to 1982 and for the consolidation program. In 1983, capital expenditures will be severely reduced and they will relate primarily to completion of the consolidation program.

During the year major improvements were made in the inventory management system to make it far more responsive to managerial needs. Much of the success of the planned inventory reduction program is attributable to these improvements. After peaking in February at $73.9 million, the inventory level was reduced by an average of $2.8 million per month until year end when it stood at $46.4 million.

Other improvements made in the inventory control systems have facilitated more accurate costing and better measurement of profitability. This has made it possible to improve financial returns while at the same time maintaining market share.

A new Corporate budgeting system which focuses on cost control and overhead recovery at the sales level was developed during the year and has been implemented effective January 1983.

Late in 1982 major changes were made in trucking operations for three of the Corporation's major market areas. Trucks and tractors were sold to outside contractors with whom trucking contracts were negotiated. What was formerly a fixed cost is now variable in nature.

The Executive Management Committee, the formation of which was announced in January 1982, met regularly and frequently during the year.

In April 1982, several changes in officers were made. Mr. C. Coulthard, formerly Vice-President Corporate Planning, was appointed Senior Vice-President and Mr. M. G. Loucks, formerly Assistant to the President, was appointed Vice-President Finance. After 44 years of dedicated service with the Corporation, Mr. G. W. Tolhurst, Vice-President Corporate Services, will retire from full time duty in May 1983. George, who is one of the most popular members of the staff, will continue his relationship with Drummond McCall in a consulting capacity.

During the year a number of other management changes and appointments were made principally to strengthen finance and purchasing.

Mr. A. D. Hamilton, who has been a Director of the Corporation since 1972, is retiring from the Board and we would like to thank him for his years of valued counsel to the Corporation.

The overall manpower requirement changed dramatically during the year with total employment being reduced by 33% to 750 at year end. The consolidation process has permitted a reduction in the number of employees without a detrimental effect on the Corporation's capacity to serve its customers. It is expected that current sales volumes could be increased up to 50% with only a modest increase in manpower.

While your Board of Directors continues to believe that payment of dividends should be based on earnings, it also believes that it is desirable to have the Corporation's common shares continue to be eligible in 1983 for purchase as investments by insurance companies, pension funds and trustees. In order to meet the minimum legal requirement, the directors declared a dividend of $0.10 per share payable in December 1982.

There appears to be some evidence that the long awaited recovery is underway in Canada. Since it will come to consumer oriented industries first, a return to normal business volume will be slower in coming to the metals distribution industry. The program of consolidation carried out in 1982 will permit Drummond McCall to take advantage of any business recovery when the opportunity arises. Along with many other businesses, your Corporation has just completed a very difficult and trying year and the Board of Directors extends its appreciation to all employees for their untiring efforts and dedication.

On behalf of the Board of Directors:

D. A. Drummond
Chairman

J. G. Marshall
President

February 22, 1983

Ten Year Financial Review

Thousands except where noted by asterisk

Income and Related Data	1982	1981	1980
Sales	**$199,800**	$274,722	$223,478
Cost of Sales and Expenses	**202,714**	263,231	209,652
Depreciation	**2,610**	2,358	1,877
Interest	**8,379**	8,698	5,755
Income Taxes	**(3,252)**	5	2,270
Extraordinary Item	**—**	—	—
Net Earnings (Loss)	**(10,650)**	430	3,924
Dividends	**353**	2,623	2,727
Earnings Reinvested in the Business	**(11,003)**	(2,193)	1,197
Net Earnings (Loss) per Share*	**(3.01)**	.12	1.15
Dividends per Share — Regular*	**.10**	.75	.80
— Special or Extra*	**—**	—	—

Other Financial Data	1982	1981	1980
Capital Expenditures	**3,203**	5,556	6,686
Fixed Assets — Net	**29,499**	29,200	26,002
Working Capital	**29,530**	44,724	50,018
Long-Term Debt	**22,839**	24,110	25,138
Deferred Income Taxes	**—**	2,760	2,632
Shareholders' Equity	**36,466**	47,442	48,785
Total Assets	**99,439**	143,066	112,536
Return on Sales	**(5.3%)**	.2%	1.8%
Return on Average Shareholders' Equity	**(25.1%)**	.9%	8.1%
Return on Average Total Assets	**(8.8%)**	.3%	3.4%
Average Number of Shares Outstanding	**3,530**	3,501	3,413
Shareholders' Equity per Share*	**10.32**	13.44	14.12

	1979	1978	1977	1976	1975	1974	1973
	$210,827	$149,181	$102,299	$92,539	$90,956	$103,441	$75,545
	191,515	138,428	95,231	86,513	80,303	85,918	65,871
	1,494	1,191	969	905	859	628	590
	3,649	2,444	1,251	1,120	827	285	426
	5,996	2,923	1,814	1,782	4,281	8,383	4,320
	—	526	—	—	—	—	—
	8,173	4,721	3,034	2,219	4,686	8,227	4,338
	2,281	2,483	1,414	1,408	1,406	1,404	1,009
	5,892	2,238	1,620	811	3,280	6,823	3,329
	2.82	1.66	1.08	.79	1.66	2.93	1.55
	.68	.525	.50	.50	.50	.415	.315
	.12	.35	—	—	—	.085	.045
	6,130	1,393	510	799	4,786	1,841	654
	21,194	16,557	16,356	13,122	13,228	9,301	8,088
	42,727	34,409	23,743	26,734	26,861	18,828	12,754
	15,231	14,925	6,450	7,975	9,400	1,000	600
	2,110	1,819	1,538	1,504	1,147	760	717
	46,820	34,452	32,214	30,488	29,662	26,370	19,525
	120,835	82,948	68,022	49,477	50,250	43,809	33,759
	3.9%	3.2%	3.0%	2.4%	5.2%	8.0%	5.7%
	21.1%	13.9%	9.7%	7.4%	16.7%	35.9%	24.3%
	8.0%	6.3%	5.2%	4.4%	10.0%	21.2%	14.1%
	2,893	2,837	2,828	2,815	2,812	2,808	2,803
	13.84	12.15	11.35	10.83	10.55	9.38	6.96

Consolidated Statement of Earnings
For the year ended December 31, 1982

	1982	1981
Sales	**$199,800,490**	$274,721,850
Cost and Expenses		
Cost of sales and expenses before the undernoted	**202,713,852**	263,231,157
Depreciation	**2,610,473**	2,357,892
Interest on long-term debt	**3,109,503**	3,544,100
Other interest	**5,269,273**	5,154,346
	213,703,101	274,287,495
Earnings (Loss) Before Income Taxes	**(13,902,611)**	434,355
Income Taxes		
Current	**(492,102)**	(123,080)
Deferred	**(2,760,052)**	127,742
	(3,252,154)	4,662
Net Earnings (Loss)	**$ (10,650,457)**	$ 429,693
Earnings (loss) per common share	**$(3.01)**	$0.12

Consolidated Statement of Retained Earnings
For the year ended December 31, 1982

	1982	1981
Retained Earnings at beginning of year	**$ 38,960,703**	$ 41,154,104
Net Earnings (Loss)	**(10,650,457)**	429,693
	28,310,246	41,583,797
Dividends on Common Shares $0.10 per share (1981 – $0.75)	**352,949**	2,623,094
Retained Earnings at end of year	**$ 27,957,297**	$ 38,960,703

See accompanying notes to financial statements

Consolidated Balance Sheet
December 31, 1982

	1982	1981
Assets		
Current		
Cash	$ 32,487	$ 37,118
Accounts receivable	22,558,575	39,115,067
Income taxes recoverable	373,124	894,000
Inventories	46,403,507	72,901,651
Prepaid expenses	295,988	530,510
	69,663,681	113,478,346
Fixed Assets, at cost less accumulated depreciation	29,499,003	29,200,154
Share Purchase Plan Loans	46,628	134,360
Unamortized Long-Term Debt Issue Expense	229,803	252,911
	$99,439,115	$143,065,771
Liabilities and Shareholders' Equity		
Current		
Bank indebtedness	$16,267,109	$ 45,610,265
Accounts payable and accrued liabilities	19,622,762	21,625,578
Due to parent company	2,848,047	—
Income and other taxes	260,103	502,871
Long-term debt maturing within one year	1,135,532	1,015,133
	40,133,553	68,753,847
Long-Term Debt	22,839,473	24,110,368
Deferred Income Taxes	—	2,760,052
Shareholders' Equity		
Stated capital	8,508,792	8,480,801
Retained earnings	27,957,297	38,960,703
	36,466,089	47,441,504
	$99,439,115	$143,065,771

Approved by the Board:

Raymond Doré, Director

[illegible signature], Director

See accompanying notes to financial statements

Consolidated Statement of Changes in Financial Position

For the year ended December 31, 1982

	1982	1981
Source of Funds		
Reduction of share purchase plan loans	$ 87,732	$ 404,496
Proceeds on disposal of fixed assets	293,460	—
Issue of shares		
Payment of dividends	25,403	569,895
Share purchase plan	2,588	280,260
	409,183	1,254,651
Application of Funds		
Loss (net earnings)	10,650,457	(429,693)
Depreciation	(2,610,473)	(2,357,892)
Amortization of long-term debt issue expense	(23,108)	(23,082)
Deferred income taxes	2,760,052	(127,742)
Funds to (from) operations	10,776,928	(2,938,409)
Business acquired (net of working capital)	—	1,875,877
Fixed assets	3,202,782	3,679,723
Reduction of long-term debt	1,270,895	1,027,141
Dividends	352,949	2,623,094
Share purchase plan loans	—	280,260
	15,603,554	6,547,686
Decrease in Working Capital	(15,194,371)	(5,293,035)
Working Capital at beginning of year	44,724,499	50,017,534
Working Capital at end of year	$ 29,530,128	$44,724,499
Changes in Components of Working Capital		
Increases (decreases) in current assets		
Cash	$ (4,631)	$ (4,772)
Accounts receivable	(16,556,492)	5,709,596
Income taxes recoverable	(520,876)	894,000
Inventories	(26,498,144)	20,647,878
Prepaid expenses	(234,522)	232,692
	(43,814,665)	27,479,394
Increases (decreases) in current liabilities		
Bank indebtedness	(29,343,156)	28,633,022
Accounts payable and accrued liabilities	(2,002,816)	5,782,592
Due to parent company	2,848,047	—
Income and other taxes	(242,768)	(1,683,318)
Long-term debt maturing within one year	120,399	40,133
	(28,620,294)	32,772,429
Decrease in Working Capital	$ (15,194,371)	$ (5,293,035)

See accompanying notes to financial statements

Notes to Consolidated Financial Statements

December 31, 1982

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The accompanying financial statements include the accounts of Drummond McCall Inc. and its wholly-owned subsidiaries, DMC Metals Inc. and Drummond McCall Metals Corp.

Inventories

Inventories are valued at the lower of average cost and net realizable value.

Fixed assets and depreciation

Fixed assets are recorded at cost. Depreciation is provided by the straight-line method at varying rates (ranging from 2½% on buildings to 20% on mobile equipment) which are designed to amortize the cost of the assets over their estimated useful lives.

Long-term debt issue expense

Expenses on the issue of long-term debt are amortized on a straight-line basis over the term of the related obligations.

Translation of foreign currencies

Amounts in foreign currencies are translated into Canadian dollars as follows: current assets, other than inventories, and current liabilities at the rate of exchange in effect at the balance sheet date; inventories, non-current assets, including related depreciation and amortization, and non-current liabilities at historical rates; income and expenses except depreciation and amortization at average rates for the period. The gains or losses resulting from these translations are included in the statement of earnings.

2. FIXED ASSETS

	1982	1981
Land	**$ 2,517,534**	$ 2,519,141
Buildings and leasehold improvements	**22,714,424**	22,358,709
Equipment	**23,752,014**	21,711,315
	48,983,972	46,589,165
Less: Accumulated depreciation	**19,484,969**	17,389,011
	$29,499,003	$29,200,154

3. LONG-TERM DEBT

	1982	1981
11⅛% Sinking Fund Debentures Series A due July 31, 1990	**$ 4,350,000**	$ 4,875,000
10¼% Sinking Fund Debentures Series C due October 15, 1993	**8,100,000**	8,550,000
Floating Rate Sinking Fund Debentures Series D due June 10, 1995	**10,000,000**	10,000,000
Industrial Building Revenue Installment Note due to June 26, 1992 (US $1,306,248)	**1,525,005**	1,700,501
	23,975,005	25,125,501
Less: Amounts due within one year	**1,135,532**	1,015,133
	$22,839,473	$24,110,368

The Series A, C and D Debentures are secured by a floating charge on assets.

The Series D Debentures bear interest at a floating rate of ¼ of 1% less than the prime rate of a Canadian chartered bank.

The Industrial Building Revenue Installment Note is guaranteed by the Corporation and repayable by the subsidiary commencing in 1982. The Note bears interest at 7% to 1984, then at 7¼% to 1989 and thereafter at 75% of the lending bank's base rate and is secured by specific property, plant and equipment.

Sinking fund and other repayment requirements in the next five years are: 1983 — $1,135,532; 1984 — $1,135,532; 1985 — $1,135,532; 1986 — $1,815,532; 1987 — $1,815,532.

4. SHAREHOLDERS' EQUITY

a) Stated capital

	Authorized	Shares outstanding December 31	
		1982	1981
Preferred Shares	Unlimited	—	—
Common Shares	Unlimited		
Series A		**3,275,408**	3,340,747
Series B		**258,111**	188,245
		3,533,519	3,528,992

The Series A and Series B Common Shares are interconvertible at any time at the option of the holders on a one-for-one basis and rank equally in all respects. Payment of dividends on the Series B Common Shares may be in the form of stock dividends.

During 1980 the Corporation adopted an employee share purchase plan. Under the plan, 90,000 Series A Common Shares were reserved for allotment during the period ending December 31, 1982. Employees, designated by the Board, could purchase their shares in the year of allotment at a price, also established by the Board, of not less than 90% of the market price on the date of acquisition. A total of 54,450 shares was issued under the plan to its expiry on December 31, 1982.

Following is a summary of the changes in Common Shares for the years ended December 31, 1982 and 1981:

	1982		1981	
	Number	**$**	Number	$
Total outstanding at beginning of year	**3,528,992**	**8,480,801**	3,455,113	7,630,646
Shares issued				
Payment of dividends	**4,027**	**25,403**	46,879	569,895
Share purchase plan	**500**	**2,588**	27,000	280,260
	4,527	**27,991**	73,879	850,155
Total outstanding at end of year	**3,533,519**	**8,508,792**	3,528,992	8,480,801

b) Dividend restrictions

The trust indentures securing the Series A, C and D Sinking Fund Debentures, and the covenants in connection with the Industrial Building Revenue Installment Note, place certain restrictions on the payment of dividends. The most restrictive of these requires that total dividend payments subsequent to December 31, 1977 be limited to the aggregate of $5,000,000 and the consolidated net earnings and the consideration received by the Corporation for shares of its capital stock subsequent to December 31, 1977. In addition, as long as the Industrial Building Revenue Installment Note is outstanding, the Corporation is required to maintain its consolidated net worth at at least $28,000,000 plus 40% of the consolidated net earnings exclusive of any losses subsequent to December 31, 1978.

5. **INCOME TAXES**
The portion of the accumulated losses carryforward for income tax purposes for which the potential income tax benefits have not been recognized in the financial statements amounts to approximately $11.9 million. Of this total, $8.0 million relates to the Canadian operations and expires in 1987. The balance of $3.9 million relates to the United States operations and expires over the period 1993 to 1997.

6. **PENSION PLAN**
The Corporation has a trusteed contributory pension plan. Based on the latest actuarial report, the value of the assets in the fund exceeds the value of pension benefits earned in respect of service up to December 31, 1982.

7. **RELATED PARTY TRANSACTIONS**
The Corporation is owned 50.8% by Marshall Steel Ltd. During the course of the year there were transactions between the Corporation and its parent as follows:

Goods and services purchased	$2,148,816
Management services purchased	$1,598,791
Goods and services sold	$ 417,119
Dividend paid	$ 179,464

8. **BUSINESS OF THE CORPORATION**
The Corporation is in one line of business — the processing and distribution of a wide range of ferrous and non-ferrous metal products. As sales to and assets in areas outside Canada are less than 10% of total sales and assets respectively, segmented information by geographic region has not been provided.

Auditors' Report

To the Shareholders of
Drummond McCall Inc.:

We have examined the consolidated balance sheet of Drummond McCall Inc. as at December 31, 1982 and the consolidated statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation as at December 31, 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Price Waterhouse

Chartered Accountants

Montreal, Quebec
February 9, 1983

Shareholders' Information

Stock Market Trading Information

The Common Shares are listed for trading on the Toronto and Montreal Stock Exchanges.
(Trading symbols: DRD.A and DRD.B)

	Common Shares			
1982	High	Low	Close	Shares Traded
	$	$	$	
First Quarter	8⅜	5¼	5½	114,529
Second Quarter	6	5¼	5⅝	65,399
Third Quarter	7¼	5½	6¼	55,996
Fourth Quarter	6⅞	5¼	5½	64,382
Year 1982	8⅜	5¼	5½	300,306
Year 1981	15⅜	8¼	8¼	896,290

Two Year Dividend Summary

	1982	1981
First Quarter	$ —	$0.20
Second Quarter	—	0.20
Third Quarter	—	0.20
Fourth Quarter	0.10	0.15
Total for Year	$0.10	$0.75

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5205 Fairway Street
Lachine, Quebec
H8T 1C1
Phone: (514) 631-4861

Mailing Address
P.O. Box 219, Station A
Montreal, Quebec H3C 2S4

Share Transfer Agent and Registrar
The Royal Trust Company
Halifax, Montreal, Toronto, Winnipeg, Regina, Calgary, Vancouver

Incorporation
Under the laws of Canada

Auditors
Price Waterhouse
Montreal, Quebec

Legal Counsel
Stikeman, Elliott, Tamaki, Mercier & Robb
Montreal, Quebec

Directors

Christopher Coulthard
Senior Vice-President
of the Corporation

Robert Després (2)
Chairman of the Board of
Atomic Energy of Canada Limited

Raymond Doré (1)(2)(3)
Chairman of The Interior
Trust Company

Derek A. Drummond (1)
Professor of Architecture and
Director of the School of Architecture,
McGill University

Alex D. Hamilton (3)
Director of the Corporation

Roderick M. Hungerford
President of Flex-Lox Industries Ltd.

Clarence D. Marshall (2)
Chairman of Marshall Steel Ltd.

Jeffrey G. Marshall
President of the Corporation

Welsford A. Marshall (3)
Vice-Chairman of Marshall Steel Ltd.

A. David McCall (2)
Consultant to Metric Commission Canada

Michael L. Richards (1)
Partner of Stikeman, Elliott, Tamaki,
Mercier & Robb

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Vice-President, Prairies Region

Hugh R. Cleland
Vice-President, Ontario Region

Earl P. Cole
Assistant Secretary-Treasurer

Christopher Coulthard
Senior Vice-President

Derek A. Drummond
Chairman

Malcolm G. Loucks
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Jeffrey G. Marshall
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Vice-President, Quebec Region

Ewan R. Orr
Vice-President, Atlantic Region

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Bruce H. Weppler (2)
Vice-President and Secretary-Treasurer

Barry H. Williams
Vice-President, Western Region

(1) Member — Audit Committee
(2) Member — Retirement Committee
(3) Member — Compensation Committee