



# ANNUAL REPORT

# 1980

CANADIAN FOUNDATION COMPANY LTD.

HOWARD ROSS LIBRARY  
OF MANAGEMENT  
APR 25  
MCGILL UNIVERSITY



## BOARD OF DIRECTORS

### \*W.G. DINGWALL

Chairman and Chief Executive Officer  
Mid Transportation Services Ltd  
Toronto, Ontario

### †\*M.B. HARDING, P.ENG.

President of the Company  
Toronto, Ontario

### \*R. KINDBOM

Executive Vice President and  
Chief Operating Officer of the Company  
Toronto, Ontario

### THE HONOURABLE L. LANGLOIS, Q.C.

Partner  
Langlois, Drouin, Roy, Frechette & Gaudreau  
Quebec, Quebec

### K.A.B. LOWHAGEN

Director and President  
Skanska Cementgjuteriet AB  
Stockholm, Sweden

### \*R.I. MARTIN, Q.C.

Partner  
Hume, Martin & Timmins  
Toronto, Ontario

### E.M. MAXWELL

Consultant  
Toronto, Ontario

### \*A.G. McCAUGHEY, B.COMM., C.A.

President  
North American Life Assurance Company  
Toronto, Ontario

### \*P.G. OPLER, P.ENG.

Executive Vice-President of the Company  
Toronto, Ontario

### H.D. ROBERTS, C.M., M.D., F.R.C.S., (C) L.L.D.

St. John's, Newfoundland

### J.R. SHELTON

Vice-President and Director  
St. Lawrence Securities Ltd.  
Toronto, Ontario

### D.H. WARD

Honourary Chairman,  
Dominion Securities Limited  
Toronto, Ontario

### \*V. WARNHAMMAR

Consultant  
Toronto, Ontario

\*Members of the Executive Committee

## OFFICERS

### F.G. RUTLEY

Honourary Chairman of the Board

### A.G. McCAUGHEY, B.COMM., C.A.

Chairman of the Board

### †M.B. HARDING, P.ENG.

President

### R. KINDBOM

Executive Vice-President and Chief Operating Officer

### P.G. OPLER, P.ENG.

Executive Vice-President

### D.D. BROWN, P.ENG.

Vice-President

### H.F. JAKOBSEN

Vice-President Administration

### D.R. LYTLE, C.A.

Vice-President Finance and Treasurer

### M.T. GYI, C.A.

Assistant Treasurer

### K.H. JACOBY

Secretary

### G.D. HYMAN, Q.C.

Assistant Secretary

†Resigned February 25, 1981

## OFFICERS OF MAIN OPERATING SUBSIDIARY COMPANIES

### R.H. BESWICK

Manager, Edmonton District

### L.P. BOND

General Manager, British Columbia Operations

### R.S. BOND

Vice-President, The Foundation Company of Canada Limited

### M.D. BOOTH

Manager, Calgary Operations

### Y.M. DAVIES, P.ENG.

Vice-President, The Foundation Company of Canada Limited

### S. ERICSON

Vice-President, Engineering,  
The Foundation Company of Canada Limited

### A.R. MACKIE

Vice-President and General Manager,  
Engineering Construction,  
The Foundation Company of Canada Limited

### E.H. McBRIDE

General Manager, Ontario Operations

### D.H.P. ROBINSON, P.ENG.

Vice-President, The Foundation Company of Canada Limited

### J.R. ROUSSEAU, P.ENG.

Vice-President, Foundation Construction Services Ltd.

### F.H. WEBBINK

Vice-President, Maritimes Operations  
The Foundation Company of Canada Limited

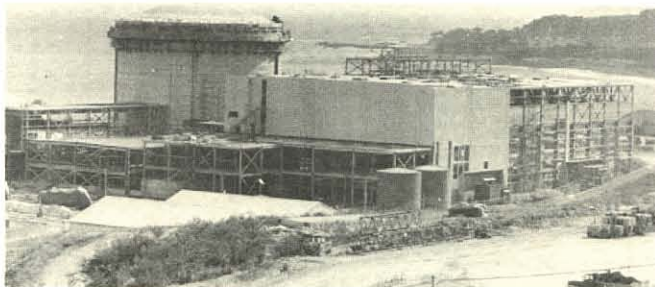
### O.G. WEBER

Vice-President  
Foundation Construction Services Ltd  
Foundation Overseas Ltd.

Bourguiba Dam,  
Tunisia



Wolsung-I,  
600-MW(e)  
Candu, Korea



Broadway Plaza,  
Vancouver



# DIRECTORS' REPORT TO THE SHAREHOLDERS

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## SUMMARY

1980 was a very significant year for Canadian Foundation Company Ltd. It saw virtual completion of those contracts which have hurt the Company's good results in its other business, a substantial loss for the year as a result of these contracts, a major change in the ownership of the Company, and a re-positioning of management and the Company's financial basis with which to go forward.

## 1980 OPERATIONS

The Company had a net loss on a consolidated basis of \$1,514,000 for 1980 on a revenue of \$69.6 million compared with a loss of \$775,000 on revenue of \$100.5 million during 1979. Working capital decreased during the year by \$1.7 million and stood at \$3.5 million on December 31, 1980.

The Company achieved a profit in 1980 on all of its overseas work and on part of the work in Canada. These good results were more than offset by further severe losses on three Canadian building contracts, two of which were brought to completion in 1980 and the third will be finished in 1981. Had it not been for these contracts, which are now behind us, we would have been able to report a profit for 1980.

## INTERNATIONAL OPERATIONS

Revenue from the Company's four overseas projects in Peru, Korea, Tunisia and Sri Lanka amounted to \$32 million in 1980 compared to \$39 million during the previous year.

### Major Irrigation Project, Peru

Good progress was made on this project in spite of intermittent financing

problems. The first water flowed in part of the system in 1980 and the last of the 90 km of tunnels was completed. Additional financing was arranged during 1980 to permit completion by 1983 of a key dam in this irrigation project. Financing was again supplied by the five countries, including Canada, that provided the initial foreign funding for this project. Foundation continues to participate in this five-country joint venture together with companies from Sweden, Britain, Spain and South Africa.

### Wolsung-I 600MW(e) Candu Nuclear Power Plant, Korea

The company is providing construction management for this multi-million dollar project through Nuclear Construction Managers (NCM), a joint venture with Canatom. An award for very satisfactory performance was presented to NCM in 1980 by Atomic Energy of Canada Limited and the outstanding performance by NCM on this project has resulted in a contract for additional work in connection with the CANDU facility to be built in Romania.

### SidiSaad Flood Control Dam, Tunisia

Construction on this project progressed satisfactorily during the year. The Company has a participation with Swedish, Italian and Tunisian partners in the joint venture "Sisaco".

### Maduru Oya Irrigation Project, Sri Lanka

The Company's latest overseas job, the Maduru Oya Project, a \$110 million irrigation dam in Sri Lanka, was awarded in April 1980 to a four company joint venture, FAFJ. Foundation is the sponsor company and its partners are Atlas Construction Ltd., Fitzpatrick

Construction Ltd. and Janin Construction Ltd. The Canadian International Development Agency is partly financing this project through a \$76 million loan. Mobilization for this irrigation project was completed by year end and about \$14 million of Canadian equipment and supplies had been shipped to the site. A staff of approximately 70 Canadians will be working in Sri Lanka when construction is fully underway in 1981.

### Polytechnical Institutions, Nigeria

Cansult-Foundation Ltd., a subsidiary owned 50% by the Company and 50% by Cansult Ltd., signed two contracts with Canadian Commercial Corporation (CCC) in September 1979. Cansult-Foundation Ltd. will supply CCC with \$44 million of goods and services that CCC had contracted to supply to the Nigerian Ministry of Education in connection with two new technical colleges at Bida and Ilaro in Nigeria. The Nigerian civil government, that came to power in October 1979, spent much of 1980 reviewing and renegotiating the contracts with CCC. As a result of these renegotiations, no work was undertaken during 1980. It is expected that work on this project will get underway early in 1981.

## DOMESTIC OPERATIONS

Revenue from building construction in Canada amounted to \$37 million in 1980 compared to \$61 million in 1979.

During 1980 the Company completed on time and within budget the \$12 million Broadway Plaza office-apartment complex in Vancouver, British Columbia. A second \$17 million contract was awarded the Company for construction of another office building

in Vancouver during the year.

Operations in the Maritimes continued satisfactorily in 1980. A \$6.5 million contract for construction of a Federal Government wharf was completed on time and achieved the planned profit. A number of other smaller jobs were completed profitably during the year.

We regret to have to report that three large building contracts resulted in a major loss in the year as referred to earlier in this report. The loss arose from problems with two major hospitals in Edmonton, Alberta and a city-centre project in Northern Ontario.

In Edmonton, the Lynnwood Extended Care Centre, which has caused substantial losses over the last two years, was completed in 1980. Construction of the Forensic Unit in Edmonton caused further loss in 1980 and will be completed in 1981.

A city centre complex in Hornepayne, Ontario was substantially completed in December 1980 and resulted in a sizeable loss.

## CHANGES IN OWNERSHIP

1980 saw significant changes in the ownership of the Company. The sale of the 96% ownership of the Company's common shares by A. Janin & Co. Ltd., commenced in 1978, was completed early in the year. Half of these common shares were purchased by private Canadian interests and half were acquired by a large publicly owned construction company based in Sweden known world-wide as "Skanska". One of the largest construction firms in Europe, Skanska employs some 18,000 people in its domestic operations and over 6,000 people in its wide-

spread international construction activities.

While Foundation remains essentially a Canadian owned company, with nearly 100% of its preferred shares and 52% of its common shares in Canadian hands, this new association brings substantial financial and technical strength to support the Company's capabilities.

## PERSONNEL

The Directors of the Company recognize that our greatest strength is our people and we wish to express our appreciation for the dedicated efforts of our employees both overseas and in Canada on the Company's behalf.

Brigadier F.C. Wallace, D.So, M.C., who had served the Company with dedication as a director since 1967 did not stand for re-election at its Annual Meeting in June.

We also want to express our sincere thanks to Mr. H.F. Gautrin, who resigned as a director and Chairman of the Board on June 17, 1980, for his sound counsel, personal warmth and leadership over the past 12 years.

A.G. McCaughey, who joined the Board in February 1980, became Chairman following Mr. Gautrin's resignation.

Mr. R. Kindbom was elected a director of the Company in June 1980 and was appointed Executive Vice President and Chief Operating Officer in August 1980.

## OUTLOOK

The outlook for 1981 is encouraging with the continuation of the Company's profitable construction activities in Canada and its three profitable over-

seas jobs in Peru, Korea and Tunisia. In addition, the new Sri Lanka and Nigerian contracts will contribute to earnings for the first time in 1981.

In Canada, as a result of its increased bonding capacity, financial resources and heavy civil construction expertise, the Company is selectively bidding for an increased amount of new work. Losses from the Alberta contracts will come to an end in 1981 and we expect that operations in 1981 will be profitable.

FOUNDATION looks to the future with considerable confidence and optimism.

On behalf of the Board



A.G. McCAUGHEY  
Chairman of the Board



May 7, 1981

CONSOLIDATED BALANCE SHEET  
December 31, 1980

ASSETS

	December 31	
	<u>1980</u>	<u>1979</u>
Current assets:		
Cash and short-term deposits .....	\$ 494,000	\$ 2,144,000
Trade accounts receivable .....	10,465,000	14,612,000
Amount due for properties sold .....	—	3,672,000
Investments in unincorporated joint ventures, net (Note 2) .....	6,546,000	4,073,000
Contract costs less progress billings .....	2,846,000	2,759,000
Prepaid expenses, deposits and other assets .....	133,000	142,000
	<u>20,484,000</u>	<u>27,402,000</u>
Investments in and advances to incorporated joint ventures, at cost .....	168,000	31,000
Fixed assets:		
Land .....	15,000	15,000
Buildings and improvements .....	15,000	15,000
Leasehold improvements .....	108,000	108,000
Furniture and fixtures .....	462,000	444,000
Other equipment .....	113,000	76,000
	<u>713,000</u>	<u>658,000</u>
Accumulated depreciation and amortization .....	565,000	534,000
	<u>148,000</u>	<u>124,000</u>
Construction equipment .....	238,000	159,000
	<u>386,000</u>	<u>283,000</u>
	<u>\$21,038,000</u>	<u>\$27,716,000</u>

LIABILITIES

	<u>December 31</u>	
	<u>1980</u>	<u>1979</u>
<b>Current liabilities:</b>		
Bank advances (Note 3) .....	\$ 1,727,000	\$ -
Accounts payable and accrued liabilities .....	10,253,000	16,409,000
Progress billings on contracts, less costs .....	4,632,000	4,818,000
Income taxes payable .....	379,000	596,000
Deferred income taxes (Note 4) .....	-	332,000
	<u>16,991,000</u>	<u>22,155,000</u>
<b>Shareholders' equity:</b>		
Capital stock (Note 5)—		
Preferred shares—		
Authorized—310,000 cumulative redeemable preference shares without nominal or par value with fixed cumulative preferential dividends at the rate of \$1.20 per share per annum		
Issued—152,824 3/4 shares .....	3,057,000	3,057,000
Common shares—		
Authorized—unlimited number of shares without nominal or par value		
Issued—1,199,616 shares .....	6,092,000	6,092,000
Accumulated deficit .....	<u>(5,102,000)</u>	<u>(3,588,000)</u>
	4,047,000	5,561,000
 Contingent liabilities (Notes 2 (ii) and 7)		
 APPROVED BY THE BOARD:		
 		
_____ A.G. McCaughey	Director	
 		
_____ R. Kindbom	Director	
	<u>\$21,038,000</u>	<u>\$27,716,000</u>

# CONSOLIDATED STATEMENT OF LOSS AND ACCUMULATED DEFICIT

	Year ended December 31	
	1980	1979
Gross operating revenue:		
Construction contracts .....	\$36,913,000	\$ 61,092,000
Joint ventures (Note 2) .....	32,064,000	38,970,000
Other operations .....	610,000	473,000
	<u>\$69,587,000</u>	<u>\$100,535,000</u>
Operating loss for the year before taking into account the following: .....	\$ (1,608,000)	\$ (614,000)
Interest income .....	195,000	223,000
	<u>(1,413,000)</u>	<u>(391,000)</u>
Add:		
Depreciation and leasehold amortization .....	138,000	70,000
Interest on long-term debt .....	—	15,000
Other interest expense .....	105,000	432,000
	<u>243,000</u>	<u>517,000</u>
Loss before income taxes, minority interest and extraordinary item .....	(1,656,000)	(908,000)
Income tax provision (Note 4) .....	(87,000)	(337,000)
Minority share of loss in subsidiary .....	—	168,000
Loss before extraordinary item .....	<u>(1,743,000)</u>	<u>(1,077,000)</u>
Extraordinary item:		
Recovery of income taxes arising from the application of previously unrecorded tax losses .....	229,000	302,000
Net loss for the year .....	<u>(1,514,000)</u>	<u>(775,000)</u>
Accumulated deficit at beginning of year .....	<u>(3,588,000)</u>	<u>(2,813,000)</u>
Accumulated deficit at end of year .....	<u>\$ (5,102,000)</u>	<u>\$ (3,588,000)</u>



# CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year ended December 31	
	1980	1979
Financial resources were provided by:		
Sale of rental property .....	\$ —	\$ 3,443,000
Disposals of fixed assets .....	1,000	60,000
Extraordinary item—		
Recovery of income taxes arising from application of previously unrecorded tax losses .....	229,000	302,000
	<u>230,000</u>	<u>3,805,000</u>
Financial resources were used for:		
Operations—		
Loss before extraordinary item .....	1,743,000	1,077,000
Items not affecting working capital—		
Depreciation and leasehold amortization .....	(138,000)	(70,000)
Minority interest .....	—	168,000
	<u>1,605,000</u>	<u>1,175,000</u>
Additions to fixed assets .....	242,000	72,000
Investments .....	137,000	31,000
	<u>1,984,000</u>	<u>1,278,000</u>
Increase (decrease) in working capital .....	(1,754,000)	2,527,000
Working capital at beginning of year .....	5,247,000	2,720,000
Working capital at end of year .....	<u>\$ 3,493,000</u>	<u>\$ 5,247,000</u>
Working capital at end of year is represented by:		
Current assets .....	\$20,484,000	\$27,402,000
Less: Current liabilities .....	16,991,000	22,155,000
	<u>\$ 3,493,000</u>	<u>\$ 5,247,000</u>

NOTES TO  
CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 1980

1. Accounting policies:

(a) Basis of consolidation—

The accompanying financial statements include the accounts of Canadian Foundation Company Ltd. and all its subsidiary companies. A foreign subsidiary had a fiscal year ended October 31, 1980 and its accounts are included as of that date and have been translated into Canadian dollars at the appropriate rates of exchange.

(b) Recording of contract profits—

(i) Firm price contracts—Percentage of completion method.

(ii) Management and cost plus fee contracts—Fee billing in accordance with terms of contracts.

(iii) Claims—Expected recoveries on outstanding claims are taken into account when recording contract results. The amount is determined after considering the particular circumstances of the contract and is based on experience over a long period of years. The differences between the expected recovery on claims and the amounts subsequently realized are recorded in the operating results for the year.

(iv) Losses—Potential losses are provided for in full as soon as they become evident.

(c) Joint ventures—

Joint ventures are accounted for on the "equity" basis. Profits are recorded on the same basis as (b) above.

(d) Fixed assets—

Fixed assets are stated at cost. Expenditures on major replacements and improvements are capitalized while costs of regular maintenance and repairs are expensed as incurred. Depreciation is provided on the diminishing balance method, generally at 20% per annum. Leasehold

improvements are amortized over the life of the related lease.

Construction equipment comprises the residual value of equipment and tools used in the group's construction activities. Residual value is the lower of market value or cost less amortization based on the higher of 80% of rental income earned by the equipment or 30% of net book value.

(e) Translation of foreign currencies—

Transactions in foreign currencies are translated into Canadian dollars at the approximate rate prevailing at the time of the transaction, while assets and liabilities in foreign currencies are translated at the rates prevailing at December 31.

2. Investments in unincorporated joint ventures (net):

Significant joint ventures are—

(i) Nuclear Construction Managers

Nuclear Construction Managers is a joint venture in which a subsidiary company has a 50% participation and that is executing a construction management contract for Atomic Energy of Canada Limited in connection with the construction of a Candu nuclear power plant being built in Wolsung, Republic of Korea.

(ii) Majes Consortium

A subsidiary company has a 15.8% participation in a consortium of five international companies which has contracted with the Government of Peru to construct an irrigation project through the Peruvian Andes.

Included in the financial statements of this project as at December 31, 1980 is a provision for costs which might be incurred in the event of an unplanned termination of the contract. Because of the unlikelihood of an unplanned shutdown, no provision has

been included in these accounts for any costs in this regard.

The Company's proportionate share of the assets and liabilities of all joint ventures is:

	<u>December 31</u>	
	<u>1980</u>	<u>1979</u>
<b>Assets</b>		
Cash and short-term investments . . . . .	\$ 9,649,000	\$ 6,478,000
Accounts receivable, advances and other assets . . . . .	21,439,000	19,206,000
	<u>\$31,088,000</u>	<u>\$25,684,000</u>
<b>Liabilities</b>		
Accounts payable, accrued liabilities and advances . . . . .	\$24,542,000	\$21,611,000
Equity in joint ventures . . . . .	6,546,000	4,073,000
	<u>\$31,088,000</u>	<u>\$25,684,000</u>
<b>Revenue</b> . . . . .	<u>\$32,064,000</u>	<u>\$38,970,000</u>
<b>Gross profit from operations</b> . . . . .	<u>\$ 4,039,000</u>	<u>\$ 4,040,000</u>

### 3. Banking arrangements:

The Company and its principal subsidiaries have issued to its bankers demand debentures as collateral security for bank advances. The debentures represent a first charge on all fixed assets of the Companies and a floating charge on all other assets.

### 4. Income taxes:

Income taxes of \$87,000 have been provided for in the accounts of certain subsidiaries while potential tax recoveries of \$952,000 (1979-\$991,000) for losses incurred by other subsidiaries have not been recorded in the accounts. As at December 31, 1980 the cumulative amount of unrecorded potential tax recoveries in respect of losses for tax purposes net of timing differences is \$2,145,000 (1979-\$1,422,000). Of this net amount \$2,274,000 represents losses carried forward for tax purposes which expire as follows:

1983	—	\$ 104,000
1984	—	991,000
1985	—	1,179,000
		<u>\$2,274,000</u>

During 1978, a subsidiary was re-assessed for prior taxation years in the amount of \$697,000 including interest which was recorded as a prior period adjustment in the 1978 consolidated financial statements. Management is presently endeavouring to have this reassessment set aside.

### 5. Capital stock:

- (a) On July 21, 1980 the Company was continued under the Canada Business Corporations Act and the Articles of Continuance provided for the following changes to the capital structure of the Company: the 855,626 3/4 authorized preferred shares par value \$20 became 310,000 cumulative redeemable preference shares without nominal or par value with fixed cumulative preferential dividends at the rate of \$1.20 per share per annum payable in quarterly instalments of 30¢ each on the 1st days of April, July, October and January each year; the 2,500,000 authorized common shares without nominal or par value became common shares without limit to the number of shares which can be issued.
- (b) Dividend arrears and restrictions—
  - (i) No preferred dividends were declared during the year. At December 31, 1980 these dividends were in arrears by \$916,000 (1979-\$733,000). Because dividends on the preferred shares are more than four quarters in arrears, the preferred shareholders are entitled to certain rights including the right to receive notice of and attend all meetings of shareholders and the right to vote separately (one vote per share) and as a class, to elect two directors.
  - (ii) The conditions attaching to the preferred shares include a restriction concerning the payment of dividends on common shares. In addition, the terms of the debentures referred to in Note 3 include certain restrictions regarding the payment of dividends.

## 6. Related party transactions:

Skanska International A.B. which is involved with the Company in several joint venture contracts, acquired 48% of the common shares of the Company during the year. At December 31, 1980, the net amount payable to it by the Company and its subsidiaries in respect of these joint ventures was \$415,823, which is included in accounts payable and accrued liabilities in the consolidated balance sheet.

## 7. Contingent liabilities, claims and lawsuits:

The Company and its subsidiaries are engaged in a number of claims and litigation matters resulting from construction and consulting contracts. Management is of the opinion, after assessing available information, that appropriate recognition has been made in the accounts for potential liabilities and recoveries and that the net outcome of these matters is not expected to require a material adjustment in the accounts of the Company or its subsidiaries. The more material items are:

— A subsidiary has commenced an action for additional payment from the Department of Highways, Province of British Columbia as a result of problems encountered in completing a contract.

— A subsidiary is negotiating for additional payments from the Department of Public Works, Government of Canada, for extra work performed, and for recovery of costs incurred as a result of problems encountered in completion of two contracts.

— Central Mortgage and Housing Corporation commenced an action in August 1977 against a subsidiary for alleged defects in design and workmanship in connection with a contract completed in 1973.

## 8. Per share results:

The net loss per common share is as follows:

	Year Ended December 31	
	1980	1979
Loss before extraordinary item	<u>\$(1.60)</u>	<u>\$(1.05)</u>
Extraordinary item	<u>.19</u>	<u>.25</u>
Net loss for the year	<u>\$(1.41)</u>	<u>\$ (.80)</u>

The preferred dividends have been taken into account in calculating the above amounts per common share.

## AUDITORS' REPORT

### To the Shareholders of Canadian Foundation Company Ltd.:

We have examined the consolidated balance sheet of Canadian Foundation Company Ltd. as at December 31, 1980 and the consolidated statements of loss and accumulated deficit 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 Company as at December 31, 1980 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.

*Eric Waterhouse & Co.*

Chartered Accountants  
Toronto, April 15, 1981

# **CANADIAN FOUNDATION COMPANY LTD. LA COMPAGNIE FOUNDATION CANADIENNE LTÉE**

## **ASSEMBLÉE GÉNÉRALE ANNUELLE**

Salons Wellington et Richmond  
Convention Centre  
Hôtel Harbour Castle Hilton  
Un, Harbour Square, Toronto, Ontario

**le mardi, 16 juin 1981, à 10h00  
(heure de Toronto)**

### **AVIS**

AVIS EST PAR LES PRESENTES DONNE que le l'assemblée générale annuelle des actionnaires de La Compagnie Foundation Canadienne Ltée se tiendront dans les Salons Wellington et Richmond, Hôtel Harbour Castle Hilton, Un, Harbour Square, Toronto (Ontario), le mardi, 16 juin 1981, à 10h00 (heure de Toronto) aux fins suivantes:

1. Prendre connaissance des états financiers consolidés comparatifs, du rapport des vérificateurs et du rapport des administrateurs de la Compagnie pour l'exercice terminé le 31 décembre 1980;
2. Elire les administrateurs pour l'exercice suivant;
3. Nommer les vérificateurs pour l'exercice 1981 et autoriser le conseil d'administration à fixer leur rémunération;
4. Délibérer sur toute autre question dont l'assemblée pourra être saisie;
5. Ajourner l'assemblée de temps à autre et d'un endroit à l'autre de telle manière, avec ou sans préavis, que l'assemblée pourra juger à propos.

Vous trouverez sous pli le rapport annuel 1980, la circulaire relative aux procurations et la formule de procuration.

Les actionnaires qui ne peuvent assister en personne à cette assemblée sont priés de compléter, signer, dater et retourner la formule de procuration ci-jointe au Secrétaire, aux soins de la Compagnie Montreal Trust, 15 ouest, rue King, Toronto M5H 1B4 dans l'enveloppe prévue à cette fin.

DONNE à Toronto, ce 20<sup>e</sup> jour de mai 1981.

Par ordre du conseil d'administration

Le Secrétaire  
K.H. JACOBY

# CANADIAN FOUNDATION COMPANY LTD. LA COMPAGNIE FOUNDATION CANADIENNE LTÉE

## CIRCULAIRE RELATIVE AUX PROCURATIONS

La présente circulaire vous est fournie en rapport avec la sollicitation par la direction de La Compagnie Foundation Canadienne Ltée (la "société") de procurations destinées à l'assemblée annuelle des actionnaires de la société qui aura lieu le 16 juin 1981, à l'heure, à l'endroit et aux fins mentionnés à l'avis de convocation de ladite assemblée, ainsi qu'à toute reprise en cas d'ajournement. Les renseignements fournis aux présentes sont en date du 7 mai 1981.

### Sollicitation des procurations

**LA PROCURATION CI-JOINTE EST SOLLICITÉE PAR LA DIRECTION DE LA SOCIÉTÉ.** La direction n'entend pas adresser des demandes de procuration autrement que par la poste. Les frais de la sollicitation des procurations seront assumés par la société.

### Révocation des procurations

L'actionnaire qui accorde une procuration en vertu de la présente sollicitation peut la révoquer par acte écrit signé de lui ou de son mandataire autorisé par écrit ou, si l'actionnaire est une société, par acte écrit revêtu de son sceau ou de la signature d'un de ses dirigeants ou d'un mandataire dûment autorisé, et déposé au siège social de la société au plus tard le dernier jour ouvrable précédant l'assemblée en cause ou la date de reprise en cas d'ajournement ou entre les mains du président de l'assemblée le jour de l'assemblée ou de sa reprise en cas d'ajournement.

### Nomination des fondés de pouvoir

Les personnes nommées dans la formule de procuration ci-jointe sont des administrateurs de la société. **L'ACTIONNAIRE A LE DROIT DE DÉSIGNER POUR LE REPRÉSENTER À L'ASSEMBLÉE UNE PERSONNE AUTRE QUE LES PERSONNES NOMMÉES DANS LA FORMULE DE PROCURATION CI-JOINTE.**

L'actionnaire désirant désigner une autre personne (qui n'est pas tenue d'être actionnaire) pour le représenter à l'assemblée pourra le faire, soit en biffant le nom des personnes nommées à cette fin par la direction et en inscrivant le nom de la personne de son choix dans l'espace qui y est prévu, soit en remplissant une autre formule appropriée de procuration et, dans un cas comme dans l'autre, en livrant la formule de procuration ainsi complétée au secrétaire de la société, aux soins de la Compagnie Montréal Trust, 411, 8<sup>e</sup> Avenue, S.O., Calgary, Alberta, T2P 1E7, pour livraison avant l'assemblée, ou en la remettant au président de l'assemblée le jour de cette assemblée.

### Exercice du pouvoir discrétionnaire des fondés de pouvoir

Les personnes nommées dans la formule de procuration ci-jointe exerceront les droits de vote afférents aux actions auxquelles se rapportent leur procuration en conformité avec les directives des actionnaires les ayant mandatées. **EN L'ABSENCE DE TELLES DIRECTIVES, CES DROITS DE VOTE SERONT EXERCÉS: (A) EN FAVEUR DE L'APPROBATION DU RAPPORT DES ADMINISTRATEURS, ET DES ÉTATS FINANCIERS CONSOLIDÉS ET DU RAPPORT DES VÉRIFICATEURS SUR CES ÉTATS; (B) EN FAVEUR DE L'ÉLECTION DES ADMINISTRATEURS; (C) EN FAVEUR DE LA NOMINATION DES VÉRIFICATEURS ET DE L'AUTORISATION DES ADMINISTRATEURS À FIXER LEUR RÉMUNÉRATION.**

La formule de procuration ci-jointe confère un pouvoir discrétionnaire aux personnes qui y sont nommées à l'égard de tout amendement ou de toute modification qui pourrait être apporté aux questions mentionnées à l'avis de convocation et à l'égard de toute autre question qui pourrait être dûment soumise à l'assemblée. Au moment d'aller sous presse, la direction de la société ne prévoit pas que l'on présentera d'amendements ou de modifications de ce genre ou que l'on soumettra quelque question à l'assemblée autre que celles qui sont inscrites à l'avis de convocation.

### Actions donnant droit de vote et principaux actionnaires

La société est autorisée à émettre un maximum de 310,000 actions privilégiées, rachetables, à dividende cumulatif et un nombre illimité d'actions ordinaires. A la date de la présente, il y avait en circulation 1,199,616 actions ordinaires sans valeur nominale ou valeur au pair du capital-actions de la société, chacune de ces actions donnant à un vote et 152,825.5 actions privilégiées sans valeur nominale ou valeur au pair du capital-actions de la société, ces actions ne comportant pas droit de vote tant et aussi longtemps que le paiement des dividendes ne sera pas en arriéré de plus de six paiements trimestriels.

La société n'a pas fixé de date limite d'inscription, et, aux termes de la Loi sur les sociétés commerciales canadiennes, s'il arrive qu'un actionnaire de la société n'ait pas reçu d'avis indiquant la date, l'heure et le lieu de l'assemblée générale

des actionnaires de la société, il conserve son droit de vote à l'assemblée à condition de s'être inscrit aux registres de la société au moins quarante-huit heures, sans compter les samedis et les jours fériés, avant l'heure d'ouverture de l'assemblée.

Les détenteurs d'actions ordinaires et d'actions privilégiées auront le droit de voter lors de l'assemblée ou à toute autre séance en cas d'ajournement, s'ils y sont présents ou représentés par procuration.

Sauf quant aux actionnaires mentionnés ci-après et à la connaissance des administrateurs et dirigeants de la société, aucun individu ou compagnie ne détient ou n'exerce son contrôle sur des actions comportant plus de 10% des votes attachés aux actions de la société.

Skanska International AB détient 577,126 actions ordinaires représentant 42.67% de toutes les actions votantes en circulation de la société. De plus, depuis la dernière assemblée annuelle des actionnaires, le Holding I.H.M. Ltée a vendu ses 457,128 actions ordinaires de la société; Crestvale Management Services Ltd., de Toronto, en a acquis 288,564 actions ordinaires et Lake & Co., de Toronto, en a acquis 168,564, représentant respectivement 21.34% et 12.48% de toutes les actions votantes en circulation de la société.

## Election des administrateurs

Le conseil d'administration de la société se compose à l'heure actuelle de treize (13) administrateurs devant être élus annuellement. Les statuts de la société prévoient que le conseil d'administration se compose du nombre de membres fixé par le conseil lui-même et que ce nombre ne peut être inférieur à sept (7) ni supérieur à quinze (15). Les personnes nommées dans la formule de procuration ci-jointe ont l'intention de voter lors de l'assemblée annuelle des actionnaires en faveur des onze (11) candidats dont le nom figure ci-dessous et qui, (à l'exception de M. D.R. Day), sont tous présentement membres du conseil d'administration et ce depuis les dates indiquées. **LA DIRECTION NE PRÉVOIT PAS QUE L'UN QUELCONQUE DES CANDIDATES SERA INCAPABLE DE FAIRE PARTIE DU CONSEIL MAIS, SI CETTE ÉVENTUALITÉ DEVAIT SE PRODUIRE POUR QUELQUE RAISON QUE CE SOIT AVANT L'ASSEMBLÉE, LES PERSONNES NOMMÉES DANS LA FORMULE DE PROCURATION CI-JOINTE SE RÉSERVENT LE DROIT DE VOTER, À LEUR DISCRÉTION, POUR UN AUTRE CANDIDAT À MOINS QUE L'ACTIONNAIRE N'AIT INDiqué DANS SA PROCURATION QUE L'ON S'ABSTIENNE D'EXPRIMER LES DROITS DE VOTE AFFÉRENTS À SES ACTIONS LORS DE L'ÉLECTION DES ADMINISTRATEURS.** Chaque administrateur élu remplira son mandat jusqu'à ce que son successeur ait été dûment élu, à moins que son poste ne devienne vacant plus tôt conformément aux règlements.

Le tableau qui suit ainsi que les notes qui s'y rapportent indiquent le nom de chaque personne mise en candidature par la direction à un poste d'administrateur, tous les autres postes ou emplois importants qu'elle occupe au sein de la société ou de ses affiliées importantes, son occupation principale actuelle, l'année où elle est devenue administrateur de la société ainsi que le nombre approximatif d'actions ordinaires et privilégiées de la société sur lesquelles elle a un droit de propriété véritable, un contrôle ou la haute main à la date des présentes.

Les actionnaires privilégiés, votant séparément en tant que classe, éliront deux (2) administrateurs.

Nom, occupation principale et postes d'importance dans la société ou ses filiales principales	Durée du service comme administrateur	Nombre Approximatif d'Actions Ordinaires de La société	Nombre Approximatif d'Actions Privilégiées de La société
D.R. DAY Président et chef de la direction, Western Capital Trust			
*R. KINDBOM Vice-président exécutif de la société et La Compagnie Foundation du Canada Limitee	1980 à ce jour		
K.A.B. LOWHAGEN, (1) Directeur de Skanska Cemengjuteriet AB depuis 1979; Président depuis 1981	1980 à ce jour	1	
L'Honorable L. LANGLOIS, B.A., LL.L., C.R. Associé – Langlois, Drouin, & Associés (Avocats)	1971 à ce jour	10	
*R.J. MARTIN, C.R. Associé – Hume, Martin, Timmins (Avocats)	1968 à ce jour	2,800	
E.M. MAXWELL – Consultant	1976 à ce jour	10	
*A.G. McCAUGHEY, B. COMM., C.A. (2) Président du conseil de la société. Président de North American Life Insurance Company	1980 à ce jour	1	

Nom, occupation principale et postes d'importance dans la société ou ses filiales principales	Durée du service comme administrateur	Nombre Approximatif d'Actions Ordinaires de La société	Nombre Approximatif d'Actions Privilégiées de La société
*P.G. OPLER, Ing. Vice-président exécutif de la Compagnie, Président de Foundation International Ltd., Vice-président exécutif de La Compagnie Foundation du Canada Limitée	1976 à ce jour	120,050	
H.D. ROBERTS, M.D., F.R.C.S.(C)	1971 à ce jour	1,000	200
D.H. WARD Président honoraire du Conseil, Dominion Securities Corporation	1968 à ce jour	1	
*V. WARNHAMMAR, Consultant	1980 à ce jour	1	

\* Indique les membres du comité exécutif

NOTE:

- (1) Skanska International AB, à laquelle M. K.A.B. Lowhagen est associé, détient 557,126 actions votantes de la société.
- (2) Crestvale Management Services Ltd., à laquelle M. A.G. McCaughey est associé, détient 288,564 actions votantes de la société.
- (3) L'information relative au nombre d'actions détenues en propriété réelle, contrôlées ou gérées par les administrateurs n'étant pas connu de la société a été donnée par chaque administrateur individuellement.

**Nomination des vérificateurs**

MM. Price Waterhouse & Cie sont les vérificateurs de la société et ils agissent en cette qualité depuis plus de cinq ans. La direction propose que cette firme soit de nouveau nommée vérificateur de la société lors de l'assemblée générale annuelle et que le conseil d'administration soit autorisé à fixer leur rémunération.

**Remuneration des administrateurs et des officiers**

Les renseignements suivants ont trait au dernier exercice financier complet, terminé le 31 décembre 1980, conformément au sous paragraphe (v) du paragraphe (1) de l'article 35 des règlements d'application de la Loi sur les sociétés commerciales canadiennes:

**RÉMUNÉRATION DES ADMINISTRATEURS ET DES OFFICIERS  
DE LA SOCIÉTÉ ET DE SES FILIALES**

	Nature de la rémunération gagnée					Total
	Hono- raires des Admini- strateurs	Salaires	Gratifi- cations	Allocation accordée sans pièce justificative	Autres	
REMUNERATION DES ADMINISTRATEURS en tant qu'administrateurs de la Compagnie et de ses filiales:						
(a) Nombre d'administrateurs: 10 administrateurs, 2 anciens administrateurs						
(b) Personne morale assumant les frais: La Compagnie Foundation du Canada Ltée	\$ 23.850	néant	néant	néant	néant	\$ 23.850
RÉMUNÉRATION DES DIRIGEANTS de la société qui ont reçu à titre de dirigeants ou employés de la société et de ses filiales une rémunération globale dépassant \$40.000:						
(a) Nombre de dirigeants: 4 dirigeants (dont 2 étaient administrateurs)						
(b) Personne morale assumant les frais: La Compagnie Foundation du Canada Ltée	néant	\$248,853	\$10,000	néant	néant	\$258,853
	\$ 23,850	\$248,853	\$10,000	néant	néant	\$282,703



Pour le dernier exercice financier, le coût estimatif total pour la société et ses filiales des prestations de retraite dans le cadre du régime de retraite normal de la société: (a) aux administrateurs en cette qualité — néant; (b) aux dirigeants décrits ci-dessus en cette qualité (dont deux étaient également administrateurs): \$6,528.

### **Assurance-responsabilité des administrateurs et officiers**

Les administrateurs et les officiers de la société et la société elle-même sont assurés contre certains risques en vertu d'une police d'assurance-responsabilité des administrateurs et des officiers, laquelle police contient une clause de remboursement de la compagnie. Le montant approximatif des primes versées par la société pour l'année 1980 en ce qui a trait aux administrateurs en tant que groupe et aux officiers en tant que groupe, s'élevait à \$1,859 et \$663 respectivement.

Cette police d'assurance prévoit, entre autres, une limite de responsabilité d'un montant total de \$3,000,000 pour chaque année d'assurance et des franchises de \$20,000 à l'égard de chaque administrateur et officier pour chaque perte, mais n'excédant en aucun cas \$20,000 au total pour chaque perte, et \$75,000 pour chaque perte en vertu de la clause de remboursement de la compagnie.

En vertu des dispositions de la police, l'assuré est tenu de payer 95% du solde de chaque perte, après déduction des franchises, jusqu'à concurrence de \$3,000,000.

Conformément aux règlements de la société, la société est effectivement tenue d'indemniser et de tenir indemne chaque administrateur des responsabilités encourues dans l'exécution de bonne foi de ses fonctions.

### **Approbation du conseil d'administration**

Je, Klaus H. Jacoby, secrétaire de La Compagnie Foundation Canadienne Ltée, certifie que le contenu et l'envoi de la présente circulaire relative aux procurations ont été approuvés par le conseil d'administration.

Les renseignements ci-dessus représentent la situation au 7 mai 1981.



Le Secrétaire  
K. H. JACOBY

Toronto, Ontario  
Le 20 mai 1981



## \$10 Million Contract Signed

The Vancouver office in our Western Region was awarded a \$10 million construction management contract in February '81 for a multi-storey apartment complex in New Westminster. This project known as the Belmont Street Development, is only one of the many high-rise buildings constructed by the Vancouver office over the past few years.

The building was designed by P.E. Hanson, Architects and B. Babiki, Structural Engineers of Vancouver.

The 20-storey building is of entirely precast concrete construction and it is expected that all superstructures will be in place within six weeks from start-up in April and construction is expected to be completed in 1982. Project team is headed up by F. Smith, Project Superintendent and John Wong, Contracts Manager.



*Belmont Street Development*



### International Activities

## \$75 Million Nuclear Test Reactor - Peru

Foundation recently signed a \$1.5 million contract to provide technical supervision of civil works for construction of an Argentine-designed nuclear test reactor for the Instituto Peruano de Energia Nuclear of Peru.

Work on this \$U.S. 75-million capital-cost project will be carried out by Nuclear Construction Managers, our joint-venture in Montreal, P.Q.

## Candu - Romania

NCM has a contract with Atomic Energy of Canada Limited for technical advisory services in connection with the construction of a 600-MW(e) CANDU station for Romanegro, the State agency.

J.R. McGiffen is currently in Romania on this project.

## \$150,000 Feasibility Study - Nigeria

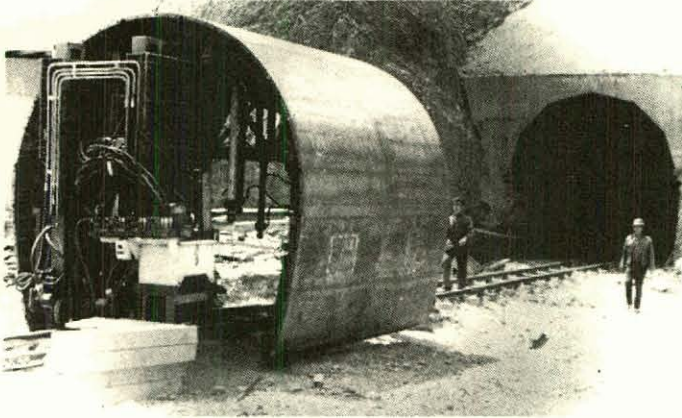
Foundation signed a contract with Joint Sunray Flour Mills Limited to conduct a feasibility study for construction of the Sunray Flour Mill, Anambra State, Nigeria.

This \$150,000 contract is funded through the Canadian International Development Agency and will be carried out in joint-venture with Maple Leaf Mills, Fodor-Cansilo and the International Grain Institute.

Capital cost of the proposed flour mill is approximately \$25 million for the mill and ancillaries, plus \$4 million for shipping and transshipment of equipment, tugs, barges and unloaders. The Canadian content could conceivably reach \$12 million for the mill and \$4 million for barges, etc.

# Majes Irrigation Project, Peru

## Consorcio Majes



The Majes irrigation project completed its sixth year of operations at the end of 1980. Production throughout the year was very good and the Optimum Program made in January of 1980 has been met.

On November 26 the final breakthrough in Tunnel No. 10 was achieved after some 100 km of tunnel drives, finalizing with good results about three months ahead of the program. A ceremony to celebrate this milestone was held at the tunnel on December 10th with most of the authorities from Arequipa present.

After extensive support works, especially at the downstream front warranting pre-lining, good rock was encountered within a few metres of hole-through. Forced ventilation has now been installed and the previous, almost intolerable 40°C plus temperatures recorded at both faces, has been drastically reduced. There was a return to invert lining at the upstream of this tunnel under difficult conditions - heaving ground, due to an earlier earthquake, continues to be a problem.

Concrete tunnel lining works advanced with the upstream section completed. Invert and arch linings showed considerable and favourable gains throughout the year.

One major problem we are now experiencing is the supply of cement. The major portion of cement production from Peru is being exported to Chile and Bolivia and this could result in severe shortage problems in 1981, unless the supply of cement is ensured.

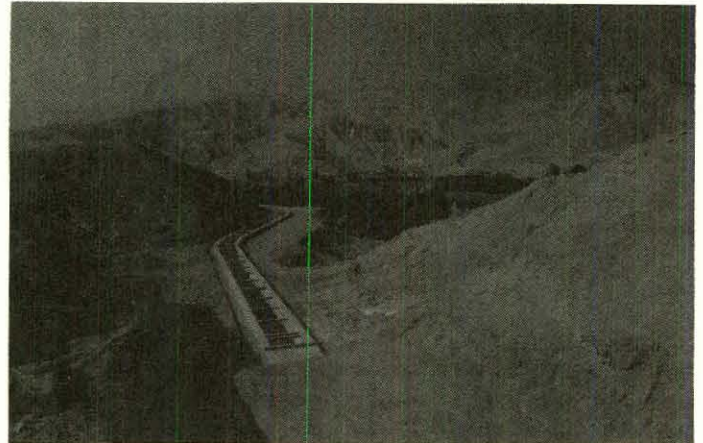
Substantial completion has now been achieved for Sector Siquas. A skeleton crew will be maintained in this sector for maintenance and minor additional work and final takeover by the Department of Agriculture.

Preliminary works at the Condorama dam site are slightly ahead of schedule. The purchase of 20 Wabco 35-ton trucks are on order for delivery in December 1980 along with four Clark 275-B front-end shovels. No problems are foreseen in finalizing the diversion tunnel by April '81, at which time works on the upstream coffer dam will be started.

Detailed plans are underway in preparation for camps, stores and workshops at the Condorama project site to ensure an early start of full-scale work on the dam.

Road maintenance generally has been carried out on five fronts - the Cabrerias, Sumbay, Patapampa, Tuti and various sections of the Chivay to Cabanaconde road.

As of December 1980 the project carried a total labour force in Peru of 3,717 employees made up of 120 expatriate personnel and their families.



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TO ALL READERS:

Our FOUNDATION BULLETIN has been given a facelift - well, in fact a whole new outlook - and we hope you will find it interesting, informative, amusing, and most of all worth reading!

Our plans are to issue THE NEW BULLETIN four times a year and it will contain information on current projects, personnel and social activities.

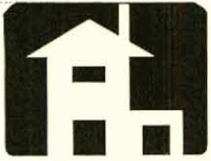
However, IT IS UP TO YOU to supply us with articles, reports, stories, a joke or a cartoon that you think your fellow workers would enjoy - because this is YOUR BULLETIN. If you have an idea, suggestion or whatever! -send it in!

Some of you have already been very active and have submitted articles. We are grateful and say THANK YOU. We are sorry we couldn't publish all of your articles, but they will be featured in future Bulletins.

So if you want to know what's happening on the other side of the globe, you can be sure that the fellows there would want to find out what you are up to. A good idea can always be used somewhere else - so PLEASE WRITE AND TELL US ALL!

## Letters from the Editor

Lynda Boyes  
Editor



**Domestic  
Activities**

## **WESTERN REGION**

### **B.C. Operations**

The successful completion of one \$13 million office tower complex and the commencement of a similar \$17 million project were the most important achievements for the B.C. Operations in 1980.

#### **Broadway Plaza Project**



Foundation can be truly proud of this fine high-rise office and commercial complex in the rapidly expanding Broadway area of Vancouver.

Started in the fall of 1978, this \$13 million project was completed two months ahead of schedule in June 1980. The quality of workmanship and overall design are a credit to the consultants and contractors involved.

Designed by Romses, Kwan & Associates this multi-purpose complex has four levels of underground parking, a four-storey tiered podium of commercial and retail space, and 12 floors of office space. Due to its central location and 45 degree angling to the main streets, it provides one of the best views of the Vancouver skyline for any office complex in the city.

The owners, Broadway Plaza Properties Ltd., insisted on a high-quality project throughout and this has most certainly been achieved.

The use of double-glazed gold reflective glass in the curtain wall, white aggregate exterior precast concrete panels, travertine marble in the main entrances and a blend of rustic brick pavers and exposed concrete aggregate paving provide an exterior that is both eye-catching and distinctive.

The interior office space has a tasteful finish with its textured tile ceilings, carpeted floors and vinyl wall cover-

ings. Air conditioning is maintained by the use of isolated heat pumps, which regulate and transfer any heat buildup from the sunny side to the shaded areas of the building.

Broadway Plaza is understandably one of the most prestigious new commercial developments in the Vancouver area.

Credit goes to Foundation personnel and office staff who worked hard and long hours to bring this project in ahead of schedule.

#### **Block 81 - 808 Nelson Street Vancouver, B.C.**

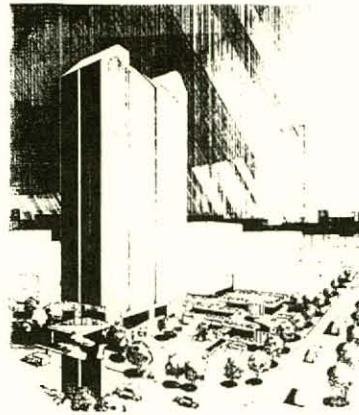
Seldom does one major project finish and another similar one immediately start up, thus enabling the project staff to continue operations without interruption. Such is the case however on Block 81, a \$17 million 25-storey office/commercial complex in the heart of downtown Vancouver.

With excellent fall weather in Vancouver this year, the all important first few months on the project were well utilized.

Excavation work is complete, the main tower structure work underway with the first suspended floor case and all other work continuing on schedule.

Completion of the project is planned for July 1981.

This new complex, owned by Block 81 Holdings Ltd. will comprise 2-1/2 levels of underground parking, two floors of retail and commercial space, 19 floors of office space and five floors of one and two-bedroom apartments.



Block 81, adjacent to the recently completed court house and Provincial Government complex is a most desirable location.

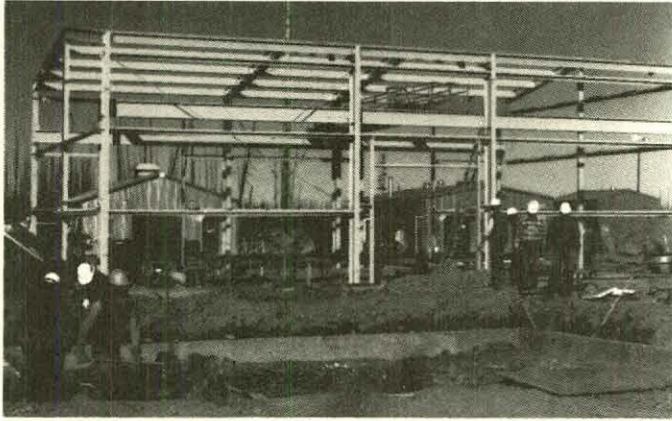
Designers, Romses, Kwan & Associates and their consultants have produced a distinctive looking building with a view to providing future tenants with all the requirements of modern city-centre living.

Approximately 300,000 square feet of rentable space will be available, made up of a business section, deluxe residences, numerous shops, a bank and social facilities such as a gymnasium, saunas and clubrooms.

Block 81 is another fine example of Foundation at work in the centre of Vancouver. The Vancouver office personnel look forward to the challenge of completing this project on time and within budget.

# Alberta Operations

## Knight Compressor Station



A \$1.2 million contract (capital cost \$6 million) was awarded to Foundation in August 1980 for

- layout of concrete padding to carry two 5000 lb gas compressor units.
- hook-up and placing of compressors, and
- construction of foundations for the commercial building and adjacent warehouse.

The Knight Compressor Station is one of six stations planned for the proposed Alaska Pipeline.

The client, NOVA, an Alberta Corporation is supplying all mechanical and electrical equipment for installation by Foundation.

## Child Health Centre

### Calgary, Alberta

The construction of the prestigious \$17.4 million, 500-bed children's hospital is being directed by the successful Foundation management team that so ably completed the CP Hotel last year.

Phase One of the project was turned over to the Alberta Hospital Board December 15, 1980. The patients were transferred from an existing building during December 1980 and January 1981.

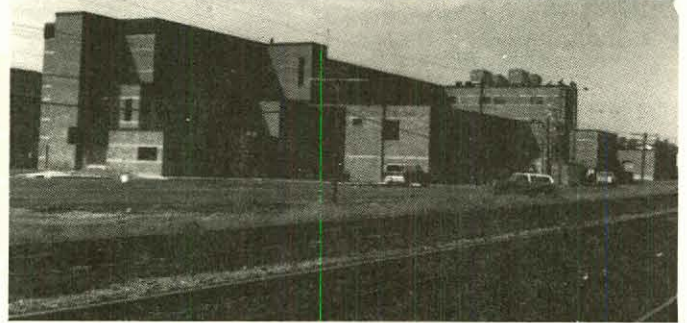
On completion of this transfer Foundation commenced Phase 2 which is the renovation of the existing hospital with work scheduled for completion in July 1981.



# CENTRAL REGION

## Hallmark Town Centre

### Hornepayne, Ontario



Construction of this unique, urban satellite town centre was completed by Foundation personnel in late 1980. The town centre, located in a remote railroad junction town and situated on 9 acres of land, was constructed for Hallmark Hotels Limited in conjunction with Canadian National Railways and the Ontario Government. Architect is Sedun and Kanerva of Toronto.

Initial occupancy of the hotel and all its facilities, including rail-lodge units, was achieved in early November.

The 156,000 square-foot project consists of 119 bachelorette apartments, 20 one, two and three-bedroom apartments, 16 senior citizen apartments, a 34-room hotel, a high school and a recreational centre with indoor and outdoor facilities for use by town residents and high school students and faculty. An enclosed retail shopping area includes Ontario Provincial Police offices; medical and social worker facilities, a branch of the Canadian Imperial Bank of Commerce, a Liquor Control Board of Ontario outlet and 10 retail locations.

## C.E.I.C. Building

### Bathurst, New Brunswick



Public Works Canada awarded the \$7 million contract for construction of a new Canada Employment and Immigration Commission building to FOUNDATION in late 1975.

The project is a four-storey, structural steel frame building with brown masonry cladding. The new facility provides 150,000 sq. ft. of office space for the Canada Employment and Immigration Commission.

An elevated computer floor was incorporated into the building to accommodate advanced computer facilities.

Fill material used on the site required the installation of a methane vent to permit the release of built-up gas.

This recently completed building was designed by Gavin and Savoie, Architects of Bathurst, New Brunswick.

## EASTERN REGION

### Ship Repair Unit (Atlantic) Building/Jetty 2 Complex - Caissons, Halifax, Nova Scotia

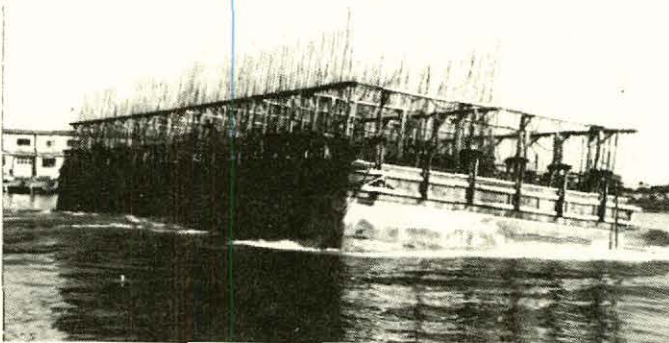
Foundation Maritime was awarded a \$6.7 million contract in July 1980 for the fabricating, launching and placing of 14 concrete cribs for a 3-sided jetty. These cribs form part of the Ship Repair Unit (Atlantic) (SRU(A) Jetty 2 complex which consists of two marine structures, a finger pier and a three-sided sea wall. This \$93.5 million dockyard expansion being built in Halifax by the Department of National Defence (DND) will require 311 rock-socketed concrete caissons.

### Halifax's Largest Current Construction Project

The Jetty-2 complex is Halifax's largest current construction project running approximately 42 months. Completion is scheduled for late 1983 and according to DND it will be one of the most efficient berthing and repair facilities in the world for Canadian and other NATO ships.

The program called for slipforming in two simultaneous operations and Foundation installed two mobile cranes for more efficient progress.

On-land slipform work was handled by a 54-megagram American crane and a Koehring 55 for the marine work.



1 of 14 Cribs being launched

### Second Contract

The Eastern Region was awarded a second contract in April '81 in connection with this major dockyard expansion.

This \$5.3 million contract is for construction of the building ground-floor system and jetty apron slabs. Construction is anticipated to run from May of '81 through early '82.

Project superintendent is V.A. Kouyoumdjian; Field Engineer, John King; Office Man, Everett MacLean and D.O. Supervisor is Arnold Corkum.

### 1900-man Junior Rank Mess

Commenced in June 1980, this multi-million dollar mess hall is being constructed for Defence Construction (1951) Limited and is expected to be completed in September 1981. The single-storey structure with a concrete foundation, wood framing and cedar siding on structural steel framework is situated at the Canadian Forces Base, Cornwallis, Nova Scotia overlooking the Minas Basin. When completed it will be utilized by men in training at the Base.



### FAMS — Foundation Administrative Management Systems

Foundation's technical skill, combined with painstaking planning and organization, keeps costs down and ensures that time schedules are maintained.

Foundation's many years of experience has created a highly efficient construction management procedure. This means that Foundation can take on large contracts worth millions of dollars and quickly create a smoothly functioning team of staff and workers to handle the project.

All this demands efficient administration. That is why we in Foundation developed FAMS - Foundation's Administrative Management Systems, which are based on our many years of practical experience.

The FAMS routines are applied in one form or another to every project. We have more than 10 years experience in the use of ADP for production control systems. It is this continuously growing "experience bank" which gives our FAMS system their high degree of reliability and their considerable flexibility.

The FAMS systems and routines are adjusted to suit all of our various lines of activity - from house construction to heavy civil engineering work. They can be applied at any required level with regard to speed and degree of detail - from very simple and "rough" systems and routines to extremely extensive and detailed ones.

All this means that we can, in every construction situation offer a Client very effective and economic controls of their construction project.

### Design Stage

Design or design collaboration aims at creating the best possible cost, quality and conditions in a project. This is done through method selection, cost estimates, budgets and time schedules. During this stage, division and cost heading takes place in accordance with Foundation's cube principle. The emphasis is placed on cost evaluation

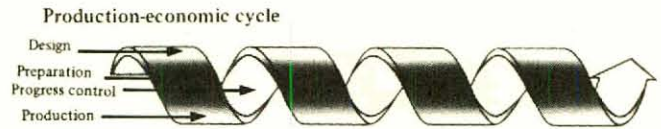
of various alternatives and the consequences these have for the total cost of the project. The design stage also includes analyses of the resources required for carrying out the project within the time allocated. All of this is estimated and programmed in accordance with our FAMS system - manual or by computer.

## Preparatory Production Stage

The preparatory production and budgeting stage aims at providing the supervisory staff with a framework for the project and an economic action program for construction. The production budget also acts as a base for cost control. It is used when comparing budgeted figures with actual figures for quantities, times and costs.

This preparatory work provides an easily revised budget. It can result in either extremely detailed quantity, time and

cost budgets or simply rough summations, according to requirements and to the sphere of application.



## Production Stage

During production we collect data continuously. This is done in a manner suited to the degree of detail and the periodicity required. Production preparation, which is carried out continuously during production, aims at keeping the action program up to date. This is done by means of budget and adjustments, changes in time schedules and continuous planning in various forms.

## Long Service Club

November 14, 1980 marked the 29th annual meeting of the combined 25 Year Club and the Long-Service Club

-Montreal and Toronto chapters and off-shore branches in Korea, Peru and Sri Lanka.

### Montreal

The Montreal dinner, hosted by Mr. John F. Masterson was attended by members and again traditionally held in the Mount Stephen Club.

Mrs. Jeannine Comeau received her 25-year certificate from Mr. R.E. Romer and Mr. R.F. Shaw presented her with a gold watch and pin.

Mr. J. R. Rosseau gave a brief review of the Company's ownership changes and an outline of the Company's progress.

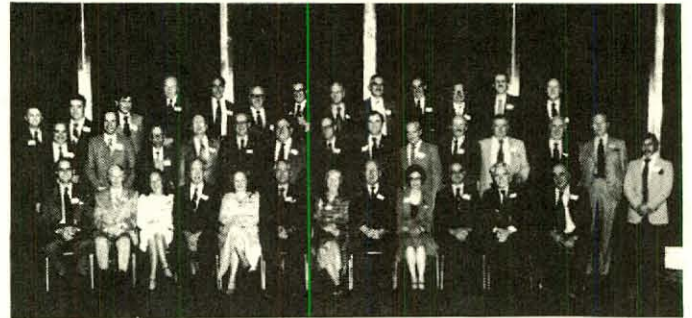
*29th Annual Meeting, Montreal Chapter*



*Mrs. Jeannine Comeau receives her 25-year certificate from Messrs. Romer and Shaw.*

### Toronto

Mr. A.R. Mackie chaired and m-c'd the Toronto reunion attended by 36 members and 3 guests at the Westbury Hotel.



*29th Annual Meeting, Toronto Chapter*

Mr. A.G. McCaughey, Chairman of the Board was highly complimentary to the members of the club who helped build the fine reputation Foundation has maintained over the years. Mr. McCaughey also commented on the fact that many of the old timers are currently on overseas project assignments which are so important to the Company's progress to-day.



*Hilton M. Lovely receives 25-year Certificate from Al Mackie.*



Hilton M. Lovely, Vancouver was awarded his 25-year certificate, gold watch and pin. Jack Whyte, Toronto moved to the 20-year level and Klaus H. Jacoby, Peter Van Warmerdam and John Whelan moved ahead to the 15-year cycle.

New members having completed their first 10-years of loyal service are L.P. Bond, F. Perrot and T.B. Jansen.

## Korea

In Korea Derrick Robinson hosted the celebration which was attended by five members and their wives.

The meeting was held in the main dining room of the bachelor quarters at Wolsung.

Derrick presented the 10-year award and pin to Barry Ward.

Other members in attendance were Bernie Closs, Joe Hasbron and Shadi Anand. Unfortunately Andre Berube was unable to attend.

The Korea Long Service Club branch bid farewell to two members, Frank Easton and George Scalabrini who moved to other Foundation overseas projects.

The extension of the club membership to 10, 15 and 20-year service plateaus has created sufficient members at site to form a rather small but exclusive group. This

group should grow substantially in the years to come building a common bond of loyalty and pride in the Foundation group of companies.

## Sri Lanka

The Sri Lanka dinner party for the Long Service Club was hosted by Mr. and Mrs. Andre Jordan. The food was home-cooked, wine and 'cubees' (a rum and coke favourite of many) were served and the music from Bert Scalabrini's tape recorder drowned out the screeching of the crickets. Guests included Mr. & Mrs. D. Burke, F. Easton, Mr. & Mrs. A. Furlong, Mr. & Mrs. B. Scalabrini and G. Scalabrini.

## Peru

The dinner was held in Arequipa, Peru at the Pasteleria Y Heladeria Restaurant, one of our expatriates' favourite dining spots.

Members attending were Mr. Henry Boychuk, Mr. & Mrs. Casey Spaan

## In Memoriam

We deeply regret the loss of an old and distinguished Long-Service Club member, Mr. A. A. Fuller who passed away in his 82nd. year.



## People and Places

## Retirement Party

Michael Harding recently retired as president of the Foundation Group of companies. In honour of Mr. Harding and to thank him for his valuable support and direction over the past three years a cocktail party was held March 9th at the Harbour Castle Hotel in Toronto.

Paul Opler, Executive Vice-President presented Mr. Harding with a crystal decanter complete with liquid refreshment, on behalf of all Foundation employees.

The party was attended by Toronto staff as well as regional managers from Vancouver, Calgary, Halifax and Montreal. We were pleased that Mr. A. G. McCaughey, Chairman of the Board was also able to attend.

## New Employees

Thanks for joining us - we're happy to have you aboard.

**Marcie MacNeil**  
Project Manager  
Vancouver

**Eugene Creamer**  
Project Manager  
Vancouver

**Donal O'Sullivan**  
Civil Engineer  
Toronto

**Jerry Montford**  
Operations Manager  
Edmonton

**Bud Lum**  
Civil Engineer  
Toronto

**R. S. Nault**  
Tunnel Supervisor  
Sri Lanka

**T. J. Nuyten**  
Secretary/Receptionist  
Vancouver

**Lynda Boyes**  
Public Relations  
Toronto

## Oops, there goes another rubber tree plant

For the past few weeks Toronto employees have been actively involved in the reorganization of the offices. George Darragh, Senior Estimator and Cecelia Wangel, Executive Secretary, have been coordinating this move and we extend our thanks for a job well done - so far!

It really has been a rather fun-packed couple of weeks. Everytime I looked up there'd be a desk or plant moving mysteriously past my door!

Surprisingly enough with walls coming down and going up - furniture and people being moved, normal working conditions were barely affected

## New Vancouver Offices

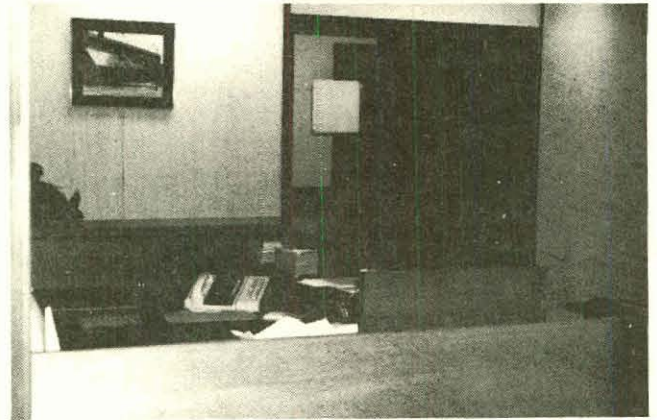
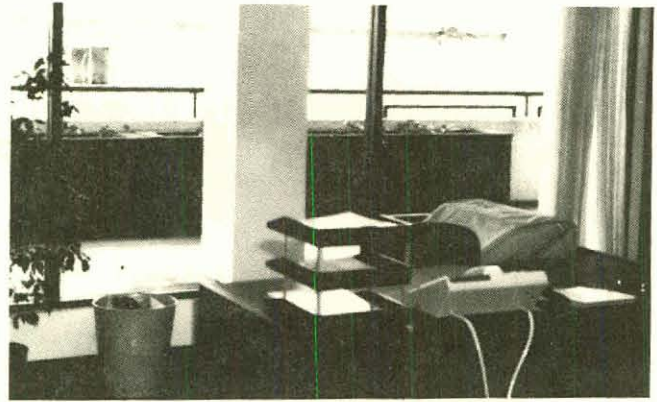
On Friday March 27th, 1981 the Western Region officially opened their new office facilities in the west annex of the recently completed Broadway Plaza complex at 620 West 8th Avenue, Vancouver.

To mark the occasion, a reception was held which was attended by architectural and engineering groups as well as representatives from the lower mainland construction industry.

The reception was hosted by members of the Vancouver office who did an excellent job in mingling with some 80 guests. We were especially pleased to see some old Foundation employees who offered their best wishes for our future endeavours.

Among those present were B.S. Yip, Broadway Plaza Properties; K. Tam, Block 81 Investments; V. Kwan Architect for both Broadway Plaza and Block 81 developments; B. Dayson and P. Fader of Dayhu Investments; C. Mc-Michaels, Project Manager, Pier B.C.; P. Paterson, Swedish Trade Commission; C. Heywood, B.C. Ministry of Labour; D. Wittenburg, Daon Limited, and D. Munroe, Babcock & Wilcox.

Broadway Plaza Development was completed in late 1980. Foundation was general contractor and Romses, Kwan and Associates Limited were architects.



## Picnic in Peru



*Some of our people in Majes enjoying a Sunday outing.*

## Congratulations to:

Harlow Morrill on his marriage to local Peruvian bride. Harlow is presently assigned to the Majes Irrigation project in Peru.

Although a little late, we want to send our congratulations to Barry Ward and Kim Young Sook on their marriage last May 17th in Seoul, Korea. Barry is presently working on the Wolsung nuclear project in Korea and Kim is former secretary to Derrick Robinson, Construction Manager for this job.

## Toronto's First Annual Picnic

Toronto's first annual picnic is planned for June 20 at Hanlon's Point, Toronto Island and it's shaping up to be a fun-filled day.

We have games and prizes for kids of all ages - 1-100. So gang, mark your calendar and come on out for a good old fashioned picnic.

Watch the bulletin boards for further details.

## Toronto's Squash Ladder

This group of physical fitness buffs are at it again. From what I gather, the leader of the pack is Per Hofvander with Hans Jakobsen running a close 2nd followed by Lars Borgving, Rolf Kindbom, Peter Warnhammer, Mike Gyl and anchor-man Bud Lum.

In this age of equality I think these guys need some female competition. What do you think ladies?

## Best Wishes for Speedy Recovery

Klaus Jacoby, our Corporate Secretary is convalescing in Toronto General Hospital where he has recently undergone major surgery.

Klaus, we hope will be returning to us later on in the summer, and it can't be too soon for this lady.

We're very sorry you've not been well, but couldn't you have scheduled it for a better time - never again at Annual Report Time.

## NOTICE

TO HOLDERS OF PREFERENCE SHARES OF

# **CANADIAN FOUNDATION COMPANY LTD. LA COMPAGNIE FOUNDATION CANADIENNE LTÉE**

Each holder of Preference Shares has additional rights as a result of the Corporation having failed to pay more than six quarterly dividends on its Preference Shares. These additional rights are in force until all arrears have been paid on the Preference Shares and are described generally as follows:

1. To receive notice of all meetings of shareholders;
2. To attend all meetings of shareholders and to be entitled to vote in respect of each Preference Share held;
3. To vote separately and as a class to elect two members of the Board of Directors of the Corporation.

The Corporation will make a room available at the annual meeting to allow the holders of Preference Shares to vote separately as a class for the election of two directors.

At the last annual and special meeting of the shareholders of the Corporation, held in Toronto, Ontario on the 17th day of June, 1980, the holders of Preference Shares elected Messrs. J. R. Shemilt and W. G. Dingwall to the Board of Directors of the Corporation pursuant to the provisions of the letters patent and supplementary letters patent of the Corporation, to hold office for one year or until the next annual meeting of the shareholders.

Toronto, Ontario  
May 20, 1981

## AVIS

### AUX DÉTENTEURS D' ACTIONS PRIVILÉGIÉES DE

# **CANADIAN FOUNDATION COMPANY LTD. LA COMPAGNIE FOUNDATION CANADIENNE LTÉE**

Chaque détenteur d'actions privilégiées est titulaire de droits additionnels par suite du défaut de la société de payer plus de six (6) dividendes trimestriels aux détenteurs d'actions privilégiées. Ces droits additionnels continueront d'être exercés tant que tous les arrérages de dividendes payables aux détenteurs d'actions privilégiées n'auront pas été remboursés et peuvent être décrits sommairement comme suit:

1. droit de recevoir un avis de toutes les assemblées d'actionnaires;
2. droit d'assister et de voter à toutes les assemblées d'actionnaires, chaque action privilégiée donnant droit à un vote;
3. droit de voter séparément et en tant que classe pour l'élection de deux membres du conseil d'administration de la société.

La société mettra une salle à la disposition des détenteurs d'actions privilégiées lors de l'assemblée générale annuelle afin de leur permettre d'élire séparément et en tant que classe deux administrateurs.

Lors de la dernière assemblée générale annuelle et spéciale des actionnaires de la société, tenue à Toronto, Ontario, le 17 juin 1980, les détenteurs d'actions privilégiées ont élu MM. J.R. Shemilt et W.G. Dingwall au conseil d'administration de la société, conformément aux dispositions des lettres patentes et lettres patentes supplémentaires de la société, pour une période d'un an ou jusqu'à la prochaine assemblée annuelle des actionnaires.

Toronto, le 20 mai 1981



**RAPPORT  
ANNUEL**

**1980**

**CANADIAN FOUNDATION COMPANY LTD.**



## CONSEIL D'ADMINISTRATION

### \*W.G. DINGWALL

Président et directeur général  
Mid Transportation Services Ltd  
Toronto, Ontario

### † M.B. HARDING, ING. DIPL.

Président de la Compagnie  
Toronto, Ontario

### \*R. KINDBOM

Vice-Président exécutif et  
Chef de l'exploitation  
Toronto, Ontario

### L'HONORABLE L. LANGLOIS, Q.C.

Associé  
Langlois, Drouin, Roy, Fréchette & Gaudreau  
Québec, Québec

### K.A.B. LOWHAGEN

Président directeur général  
Skanska Cementgjuteriet AB  
Stockholm, Sweden

### \*R.I. MARTIN, Q.C.

Associé  
Hume, Martin & Timmins  
Toronto, Ontario

### E.M. MAXWELL

Consultant  
Toronto, Ontario

### \*A.G. McCAUGHEY, B.COMM., C.A.

Président  
North American Life Assurance Company  
Toronto, Ontario

### \*P.G. OPLER, ING. DIPL.

Vice-Président exécutif de la Compagnie  
Toronto, Ontario

### H.D. ROBERTS, C.M., M.D., F.R.C.S., (C) L.L.D.

St. John's, Terre-Neuve

### J.R. SHELMT

Vice-président et Administrator  
St. Lawrence Securities Ltd.  
Toronto, Ontario

### D.H. WARD

Président honoraire  
Dominion Securities Limited  
Toronto, Ontario

### \*V. WARNHAMMAR

Consultant  
Toronto, Ontario

### \*Membres du comité exécutif

## OFFICIERS

### R.G. RUTLEY

Président honoraire du conseil

### A.G. McCAUGHEY, B.COMM., C.A.

Président du conseil d'administration

### † M.B. HARDING, ING. DIPL.

Président

### R. KINDBOM

Vice-président exécutif et Chef de l'exploitation

### P.G. OPLER, ING. DIPL.

Vice-président exécutif

### D.D. BROWN, ING. DIPL.

Vice-président

### H.F. JAKOBSEN

Vice-Président de l'administration

### D.R. LYTLE, C.A.

Vice-président des finances et trésorier

### M.T. GYI, C.A.

Trésorier adjoint

### K.H. JACOBY

Secrétaire

### G.D. HYMAN, Q.C.

Secrétaire adjoint

† a donné sa démission le 25 février 1981

## DIRIGEANTS DES PRINCIPALES COMPAGNIES FILIALES ACTIVES

### R.H. BESWICK

Directeur, District d'Edmonton

### L.P. BOND

Gérant général, opérations en Colombie-Britannique

### R.S. BOND

Vice-président, The Foundation Company of Canada Limited

### M.D. BOOTH

Gérant, Opérations à Calgary

### Y.M. DAVIES, ING. DIPL.

Vice-président, The Foundation Company of Canada Limited

### S. ERICSON

Vice-président—génie  
The Foundation Company of Canada Limited

### A.R. MACKIE

Vice-président et gérant général  
Engineering Construction Lourde  
The Foundation Company of Canada Limited

### E.H. McBRIDE

Gérant général, opérations en Ontario

### D.H.P. ROBINSON, ING. DIPL.

Vice-président, The Foundation Company of Canada Limited

### J.R. ROUSSEAU, ING. DIPL.

Vice-président, Foundation Construction Services Ltd.

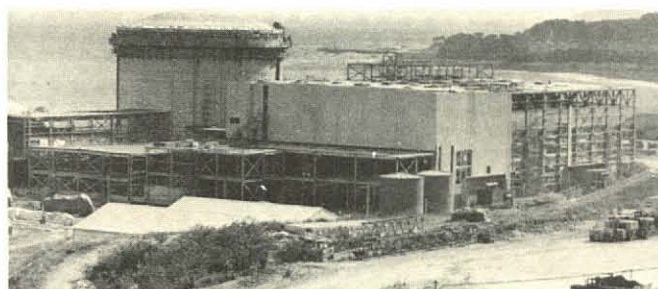
### F.H. WEBBINK

Vice-président, opérations en provinces Maritimes  
The Foundation Company of Canada Limited

### O.G. WEBER

Vice-président  
Foundation Construction Services Ltd.  
Foundation Overseas Ltd.

Bourguiba Dam,  
Tunisia



Wolsung-I,  
600-MW(e)  
Candu, Korea

Broadway Plaza,  
Vancouver



## RÉSUMÉ

L'année 1980 a été d'une grande portée pour Canadian Foundation Company Ltd. En effet, le dernier exercice a connu divers événements importants: l'achèvement virtuel des contrats qui avaient affecté défavorablement les résultats financiers de la Compagnie dans d'autres domaines, une perte considérable provenant des dits contrats, un changement majeur de propriétaire de la Compagnie, une révision de la direction de la Compagnie et un nouvel arrangement de ses bases financières qui permettent de progresser.

## RÉSULTATS D'EXPLOITATION 1980

La Compagnie a fait une perte nette, sur une base consolidée, de \$ 1 514 000 pour l'exercice 1980, sur des revenus totalisant \$ 69,6 millions, contre une perte de \$ 775 000 sur des revenus de \$ 100,5 millions pour l'exercice 1979. Le capital de roulement a diminué au cours de l'année de \$ 1,7 million et totalisait \$ 3,5 millions au 31 décembre 1980.

La Compagnie a fait un profit en 1980 sur tous ses travaux d'outre-mer et sur une partie de ses travaux au Canada. Ces bons résultats furent toutefois absorbés, et même au-delà de leurs montants, par les pertes sévères subies sur trois contrats canadiens de construction, dont deux furent achevés en 1980, et dont le troisième sera terminé en 1981. Sans ces contrats déficitaires qui sont maintenant derrière nous, nous aurions pu vous annoncer un profit pour l'année 1980.

## PROJETS INTERNATIONAUX

Les revenus de la Compagnie provenant des projets d'outre-mer au Pérou, en Corée, en Tunisie, et au Sri Lanka, ont atteint \$ 32 millions en 1980, contre \$ 39 millions pour l'exercice précédent.

### Projet d'irrigation Majes, Pérou

Malgré des problèmes intermittants de financement, ce projet a bien

progressé. La dérivation d'eau, en fait, a commencé dans une partie du système au cours de l'année 1980, et le dernier des tunnels de 90 km a été achevé. Un financement supplémentaire a été obtenu en 1980 pour permettre de terminer d'ici 1983 un barrage clé de ce projet d'irrigation. Ce financement, une fois de plus, a été fourni par les cinq pays, y compris le Canada, qui avaient apporté les fonds étrangers initiaux nécessaires à ce projet. La Compagnie Foundation continue à participer à cette entreprise commune de ces cinq pays, en compagnie de sociétés de Suède, d'Angleterre, d'Espagne et de l'Afrique du Sud.

### Centrale nucléaire Candu, Wolsung-I 600-MW(e), Corée

Notre Compagnie fournit une gestion de construction pour ce projet de plusieurs millions de dollars par l'intermédiaire de Nuclear Construction Managers (NCM), une entreprise commune avec Canatom. Énergie Atomique du Canada, Limitée a décerné à NCM, en 1980, un prix d'excellence pour son travail remarquable, et grâce à cette belle performance, un contrat a été conclu pour des travaux supplémentaires relatifs aux installations CANDU à construire en Roumanie.

### Le barrage de contrôle des eaux de Sidi Saad, en Tunisie

Les travaux de construction de ce projet ont progressé de façon satisfaisante au cours de l'année. La Compagnie participe à cette entreprise commune "Sisaco" avec des partenaires suédois, italiens et tunisiens.

### Projet d'irrigation Maduru Oya, Sri Lanka

C'est une entreprise commune de quatre compagnies, la FAFJ, qui a obtenu, en avril 1980, le contrat d'un barrage d'irrigation de \$ 110 millions, le projet Maduru Oya au Sri Lanka; la participation de notre Compagnie à ce projet constitue son contrat outre-mer le plus récent. En effet, Foundation est la Compagnie commanditaire et ses par-

tenaires sont Atlas Construction Ltd., Fitzpatrick Construction Ltd. et Janin Construction Ltd. L'Agence Canadienne de Développement International finance en partie ce projet par un prêt de \$ 76 millions. La mobilisation de ce projet d'irrigation a été terminée vers la fin de l'année 1980, et environ \$ 14 millions de fournitures et l'équipement canadiens ont déjà été expédiés sur le chantier. C'est un personnel d'environ 70 Canadiens qui travaillera au Sri Lanka lorsque la construction du barrage battra son plein en 1981.

### Institutions polytechniques, Nigeria

Cansult-Foundation Ltd., une filiale dont notre Compagnie et Cansult Ltd. sont propriétaires à parts égales, a signé deux contrats avec la Corporation Commerciale du Canada (CCC) en septembre 1979. Cansult-Foundation Ltd. va fournir à CCC pour \$ 44 millions de biens et de services que la CCC s'est engagée à livrer au Ministère de l'Éducation du Nigeria, pour deux nouveaux collèges techniques à Bida et à Ilaro au Nigeria. Le gouvernement civil du Nigeria, venu au pouvoir en octobre 1979, a passé la plus grande partie de l'année 1980 à réexaminer et à renégocier les contrats avec la CCC. Ces nouvelles négociations ont empêché les travaux de commencer au cours de l'année 1980, mais on espère que ce projet pourra être mis en place et mis en oeuvre au début de l'année 1981.

## RÉSULTATS DES TRAVAUX ENTREPRIS AU CANADA

Les revenus provenant de la construction d'immeubles au Canada se sont montés à \$ 37 millions en 1980, contre \$ 61 millions en 1979.

Au cours de l'année 1980, la Compagnie a terminé, en temps prescrit et sans dépasser le budget de \$ 12 millions, le complexe d'appartements et de bureaux Broadway Plaza, à Vancouver, en Colombie-Britannique. La Compagnie a obtenu un deuxième contrat de \$ 17 millions pour la construction d'un



autre immeuble de bureaux, à Vancouver, au cours de l'année.

Les activités de la Compagnie dans les provinces maritimes, ont continué de façon satisfaisante en 1980. Un contrat de \$ 6,5 millions pour la construction d'un quai pour le gouvernement fédéral a été terminé dans les délais prévus et avec le profit escompté. Un certain nombre de travaux moins importants ont été complétés, avec bénéfice, au cours de l'année.

Nous avons le regret de devoir signaler que trois grands contrats de construction se sont terminés par une perte importante au cours de l'année, comme déjà indiqué dans ce rapport. Cette perte a été causée par des problèmes survenus à l'occasion de la construction de deux hôpitaux importants à Edmonton en Alberta, et d'un centre civique dans le nord de l'Ontario.

À Edmonton, le centre de Lynnwood pour soins médicaux qui nous avait subir d'importantes pertes au cours des deux dernières années, a été enfin terminé en 1980. Quant à la construction de l'unité de médecine légale à Edmonton, qui avait été déficitaire en 1980, elle sera achevée en 1981.

Le complexe du centre civique de Hornepayne, en Ontario a été presque complètement terminé en décembre 1980, mais a fait subir à la Compagnie une perte non négligeable.

## **CHANGEMENTS DANS LA PROPRIÉTÉ DES ACTIONS**

La Compagnie, en 1980, a connu un changement important dans la propriété de ses actions. La vente par A. Janin & Cie. Ltée., de ses actions ordinaires de la Compagnie correspondant à 96% de l'actionnariat, commencée en 1978, s'est achevée au début de 1980. La moitié de ces actions a été achetée par des intérêts privés canadiens et l'autre moitié a été acquise par une grande compagnie publique de construction, avec siège social en Suède et connue dans le monde entier sous le nom de "Skanska".

Skanska, l'une des plus grandes sociétés de construction en Europe emploie quelque 18 000 personnes pour ses exploitations nationales, et plus de 6 000 personnes pour ses activités de construction internationales.

Foundation demeure essentiellement une compagnie de propriété canadienne, puisque la presque totalité de ses actions privilégiées et 52% de ses actions ordinaires restent entre les mains de Canadiens. Cette nouvelle association renforce considérablement les capacités financières et techniques de la Compagnie.

## **LE PERSONNEL**

Les administrateurs de la Compagnie reconnaissent que sa plus grande force réside dans son personnel et nous désirons saisir cette occasion pour exprimer, au nom de la Compagnie, notre gratitude pour les efforts dévoués de nos employés tant outre-mer qu'au Canada.

Le brigadier F.C. Wallace, D.So., M.C., qui s'est tant dévoué pour la Compagnie en sa qualité d'administrateur depuis 1967, déclina une nouvelle réélection lors de l'assemblée annuelle de juin 1980.

Nous désirons également exprimer nos remerciements sincères à M. H.F. Gautrin qui donna sa démission d'administrateur et de président du conseil d'administration le 17 juin 1980, pour ses sages conseils, sa chaude personnalité et sa direction dont notre Compagnie a bénéficié depuis plus de 12 ans.

M. A.G. McCaughey, entré au conseil d'administration en février 1980, en fut nommé président à la suite de la démission de M. Gautrin.

M. R. Kindbom a été élu administrateur de la Compagnie en juin 1980, et nommé vice-président exécutif et chef de l'exploitation, en août 1980.

## **APERÇU SUR L'AVENIR**

L'année 1981 se présente de façon

encourageante grâce à la continuation d'activités avantageuses de construction, au Canada, et grâce aussi à ses trois contrats d'outre-mer également profitables, au Pérou, en Corée et en Tunisie. Il faut ajouter que les nouveaux contrats au Sri Lanka et au Nigeria vont contribuer aux gains de la Compagnie, en 1981, pour la première fois.

Au Canada, la Compagnie, en raison de sa capacité accrue de fournir des garanties, de l'augmentation de ses ressources financières et enfin de sa grande compétence en matière de construction civile importante, répond de façon sélective à des appels d'offres afin d'accroître le volume de nouveaux travaux. Les pertes subies dans les contrats de l'Alberta prendront fin en 1981, et nous nous attendons, selon toute probabilité, que les activités en 1981 seront profitable.

FOUNDATION envisage l'avenir avec un optimisme et une confiance de bon aloi.

Au nom du conseil d'administration:



A.G. McCAUGHEY  
Le Président du Conseil



7 Mai 1981

BILAN CONSOLIDÉ  
31 décembre 1980

ACTIF

	31 décembre	
	1980	1979
Actif à court terme:		
Encaisse et dépôts à court terme . . . . .	\$ 494 000	\$ 2 144 000
Comptes-clients . . . . .	10 465 000	14 612 000
Somme à recevoir sur vente d'immeubles . . . . .	—	3 672 000
Placements dans des entreprises en participation non constituées en sociétés par actions, nets (note 2) . . . . .	6 546 000	4 073 000
Coûts d'exécution de contrats, moins sommes facturées . . . . .	2 846 000	2 759 000
Frais payés d'avance, dépôts et autres éléments d'actif . . . . .	133 000	142 000
	<u>20 484 000</u>	<u>27 402 000</u>
Placements et avances au coût, entreprises en participation par actions . . . . .	168 000	31 000
Immobilisations:		
Terrain . . . . .	15 000	15 000
Bâtiments et améliorations . . . . .	15 000	15 000
Améliorations locatives . . . . .	108 000	108 000
Mobilier et agencement . . . . .	462 000	444 000
Matériel divers . . . . .	113 000	76 000
	<u>713 000</u>	<u>658 000</u>
Amortissement accumulé . . . . .	565 000	534 000
	<u>148 000</u>	<u>124 000</u>
Matériel de construction . . . . .	238 000	159 000
	<u>386 000</u>	<u>283 000</u>
	<u><u>\$21 038 000</u></u>	<u><u>\$27 716 000</u></u>

PASSIF

	31 décembre	
	1980	1979
Passif à court terme:		
Avances bancaires (note 3) .....	\$ 1 727 000	\$ -
Créanciers et passif couru .....	10 253 000	16 409 000
Sommes facturées sur contrats, moins les coûts d'exécution .....	4 632 000	4 818 000
Impôts sur le revenu à payer .....	379 000	596 000
Impôts sur le revenu reportés (note 4) .....	-	332 000
	<u>16 991 000</u>	<u>22 155 000</u>
 Avoir des actionnaires:		
Capital-actions (note 5)—		
Actions privilégiées—		
Autorisées—310 000 actions privilégiées rachetables, sans valeur nominale, à dividende cumulatif annuel fixe de \$1,20 l'action		
Émises—152 824 3/4 actions .....	3 057 000	3 057 000
Actions ordinaires—		
Autorisées—un nombre illimité d'actions sans valeur nominale		
Émises—1 199 616 actions .....	6 092 000	6 092 000
Déficit accumulé .....	<u>(5 102 000)</u>	<u>(3 588 000)</u>
	4 047 000	5 561 000
 Éléments de passif éventuel (notes 2 (ii) et 7)		
 Approuvé par le conseil d'administration:		
 		
_____, administrateur		
A.G. McCaughey		
 		
_____, administrateur		
R. Kindbom		
	<u>\$21 038 000</u>	<u>\$27 716 000</u>

# RÉSULTATS CONSOLIDÉS ET DÉFICIT ACCUMULÉ CONSOLIDÉ

	Exercice terminé le 31 décembre	
	1980	1979
Revenu brut d'exploitation:		
Contrats de construction .....	\$36 913 000	\$ 61 092 000
Entreprises en participation (note 2) .....	32 064 000	38 970 000
Opérations diverses .....	610 000	473 000
	<u>\$69 587 000</u>	<u>\$100 535 000</u>
Perte d'exploitation de l'exercice avant le poste suivant:	\$ (1 608 000)	\$ (614 000)
Intérêts créditeurs .....	195 000	223 000
	<u>(1 413 000)</u>	<u>(391 000)</u>
Ajouter:		
Amortissement des immobilisations et des améliorations locatives .....	138 000	70 000
Intérêt sur la dette à long terme .....	—	15 000
Intérêts débiteurs divers .....	105 000	432 000
	<u>243 000</u>	<u>517 000</u>
Perte avant impôts sur le revenu, participation minoritaire et poste extraordinaire .....	(1 656 000)	(908 000)
Provision pour impôts sur le revenu (note 4) .....	(87 000)	(337 000)
Quote-part de participation minoritaire dans la perte subie par une filiale ...	—	168 000
Perte avant poste extraordinaire .....	<u>(1 743 000)</u>	<u>(1 077 000)</u>
Poste extraordinaire:		
Recouvrement d'impôts sur le revenu par l'application de pertes fiscales non comptabilisées antérieurement .....	229 000	302 000
Perte nette de l'exercice .....	<u>(1 514 000)</u>	<u>(775 000)</u>
Déficit accumulé à l'ouverture de l'exercice .....	<u>(3 588 000)</u>	<u>(2 813 000)</u>
Déficit accumulé à la clôture de l'exercice .....	<u>\$ (5 102 000)</u>	<u>\$ (3 588 000)</u>

# ÉVOLUTION DE LA SITUATION FINANCIÈRE CONSOLIDÉE

	Exercice terminé le 31 décembre	
	1980	1979
Provenance des ressources financières:		
Vente d'un immeuble de rapport .....	\$ —	\$ 3 443 000
Aliénation d'immobilisations .....	1 000	60 000
Poste extraordinaire—		
Recouvrement d'impôts sur le revenu par l'application de pertes fiscales non comptabilisées antérieurement .....	229 000	302 000
	<u>230 000</u>	<u>3 805 000</u>
Affectation des ressources financières:		
Exploitation—		
Perte avant poste extraordinaire .....	1 743 000	1 077 000
Postes n'affectant pas le fonds de roulement—		
Amortissement des immobilisations des améliorations locatives .....	(138 000)	(70 000)
Participations minoritaires .....	—	168 000
	<u>1 605 000</u>	<u>1 175 000</u>
Immobilisations nouvelles .....	242 000	72 000
Achat de participations .....	137 000	31 000
	<u>1 984 000</u>	<u>1 278 000</u>
Augmentation (diminution) du fonds de roulement .....	(1 754 000)	2 527 000
Fonds de roulement à l'ouverture de l'exercice .....	5 247 000	2 720 000
Fonds de roulement à la clôture de l'exercice .....	<u>\$ 3 493 000</u>	<u>\$ 5 247 000</u>
Composition du fonds de roulement à la clôture de l'exercice:		
Actif à court terme .....	\$20 484 000	\$27 402 000
Moins: passif à court terme .....	16 991 000	22 155 000
	<u>\$ 3 493 000</u>	<u>\$ 5 247 000</u>

NOTES AFFÉRENTES AUX  
ÉTATS FINANCIERS CONSOLIDÉS  
31 DÉCEMBRE 1980

1. Pratiques comptables:

(a) Règles de consolidation—

Les états financiers ci-joints comprennent les comptes de Canadian Foundation Company Ltd. et de toutes ses filiales. Le dernier exercice d'une filiale étrangère s'est terminé le 31 octobre 1980 et ce sont les comptes arrêtés à cette date qui ont été inclus dans les comptes consolidés; ils ont été convertis en dollars canadiens aux taux de change appropriés.

(b) Comptabilisation des bénéfices sur contrats—

- (i) Contrats à prix fixe—Méthode de comptabilisation du revenu au prorata des travaux.
- (ii) Contrats de gestion et contrats à prix coûtant majoré—Honoraires facturés conformément aux modalités des contrats.
- (iii) Réclamations—Les recouvrements prévus au titre des réclamations en cours sont pris en compte au moment de la comptabilisation des résultats des contrats. Leur montant est déterminé après étude des circonstances particulières de l'exécution du contrat et est établi en fonction des données recueillies au cours de nombreuses années. Les écarts entre les recouvrements prévus au titre des réclamations et les sommes réalisées par la suite sont comptabilisés dans les résultats d'exploitation de l'exercice.
- (iv) Pertes—Les pertes éventuelles sont provisionnées intégralement au fur et à mesure qu'elles sont constatées.

(c) Entreprises en participation—

Les entreprises en participation sont comptabilisées à la valeur de consolidation. Les bénéfices sont comptabilisés suivant les modalités exposées en (b) ci-dessus.

(d) Immobilisations—

Les immobilisations sont comptabilisées au coût. Les dépenses affectées aux remplacements et aux améliorations d'importance sont capitalisées; les frais

d'entretien et de réparation de moindre importance sont imputés aux charges au fur et à mesure qu'ils sont engagés. L'amortissement des immobilisations est calculé selon la méthode dégressive, généralement à des taux annuels de 20%. Les améliorations locatives sont amorties sur la durée des baux en cause.

Le matériel de construction prend en compte la valeur résiduelle du matériel et de l'outillage utilisés dans les activités de construction du groupe. La valeur résiduelle correspond à la valeur marchande ou, s'il est inférieur, au coût diminué des amortissements calculés à raison de 80% du revenu locatif du matériel ou de 30% de la valeur comptable nette, selon le plus élevé des deux.

(e) Conversion des devises étrangères—

Les opérations libellées en devises étrangères sont converties en dollars canadiens sur la base du taux de change approximatif de la date de l'opération, et les éléments d'actif et de passif en devises étrangères sont convertis aux taux de change du 31 décembre.

2. Placements dans des entreprises en participation (nets):

Principales entreprises en participation—

(i) Nuclear Construction Managers

Cette entreprise en participation, dont une filiale de la Société détient 50% du capital, exécute actuellement, pour le compte de l'Énergie Atomique du Canada Limitée, un contrat de gestion de travaux dans le cadre de la réalisation d'une centrale nucléaire du type Candu à Wolsung, en Corée du Sud.

(ii) Majes Consortium

Une filiale de la Société a une participation de 15,8% dans ce consortium, qui regroupe cinq entreprises internationales et qui s'est vu confier par l'État péruvien un contrat pour la réalisation d'un ouvrage d'irrigation dans les Andes péruviennes.

Est comprise dans les états financiers de cette

réalisation en date du 31 décembre 1980 une provision pour des frais qui pourraient devoir être engagés dans le cas d'une résiliation imprévue du contrat. En raison de l'improbabilité d'un arrêt de ces

travaux, aucune provision n'a été constituée à cet égard dans les comptes de l'exercice.

La quote-part de la Société dans l'actif et le passif de ces entreprises en participation ressort comme suit:

	<u>31 décembre</u>	
	<u>1980</u>	<u>1979</u>
<b>Actif</b>		
Encaisse et placements à court terme .....	\$ 9 649 000	\$ 6 478 000
Comptes-clients, avances et autres éléments d'actif .....	21 439 000	19 206 000
	<u>\$31 088 000</u>	<u>\$25 684 000</u>
<b>Passif</b>		
Créanciers, passif couru et avances .....	\$24 542 000	\$21 611 000
Avoir dans les entreprises en participation .....	6 546 000	4 073 000
	<u>\$31 088 000</u>	<u>\$25 684 000</u>
Revenus .....	<u>\$32 064 000</u>	<u>\$38 970 000</u>
Bénéfice brut d'exploitation .....	<u>\$ 4 039 000</u>	<u>\$ 4 040 000</u>

### 3. Financements bancaires :

À titre de garantie subsidiaire d'avances bancaires, la Société et ses principales filiales ont émis en faveur de leurs banquiers des débiteures à ordre comportant un privilège de premier rang sur toutes leurs immobilisations ainsi qu'une charge flottante sur tous leurs autres biens.

### 4. Impôts sur le revenu :

Une provision de \$87 000 pour impôts sur le revenu a été inscrite dans les comptes de certaines filiales. D'autre part, les états financiers ne tiennent pas compte de recouvrements éventuels de \$952 000 (1979—\$991 000) du fait des pertes fiscales subies par d'autres filiales. Au 31 décembre 1980, le montant cumulatif des recouvrements fiscaux éventuels non comptabilisés relatifs à des pertes fiscales, dont ont été déduits les écarts temporaires, s'élève à \$2 145 000 (1979—\$1 422 000). Sont prise en compte dans le calcul de ce montant net \$2 274 000 de reports déficitaires sur les exercices suivants, utilisables à des fins fiscales et qui viennent à échéance dans l'ordre suivant:

1983	—	\$ 104 000
1984	—	991 000
1985	—	1 179 000
		<u>\$2 274 000</u>

En 1978, un nouvel avis de cotisation pour la somme de \$697 000, intérêt compris, a été délivré à une filiale pour les années d'imposition antérieures. Cet avis a donné lieu, dans les états financiers de 1978 à l'inscription d'un redressement des impôts sur le revenu au titre d'exercices antérieurs. La direction se propose de faire annuler cet avis de cotisation.

### 5. Capital-actions :

(a) Le 21 juillet 1980, la Société a été prorogée sous le régime de la Loi sur les sociétés commerciales canadiennes. En vertu des clauses de prorogation, les changements suivants ont été apportés au capital-actions de la Société: les 855 626 3/4 actions privilégiées autorisées, à valeur nominale de \$20, ont été transformées en 310 000 actions privilégiées rachetables sans valeur nominale, au dividende cumulatif annuel fixe de \$1,20 l'unité payable en tranches trimestrielles de 30¢ le premier jour des mois d'avril, de juillet, d'octobre et de janvier; les 2 500 000 actions ordinaires autorisées, sans valeur nominale, ont été transformées en actions ordinaires sans limitation du nombre d'actions qui peuvent être émises.

#### (b) Arrérages et restrictions sur dividendes

(i) Au cours de l'exercice, la Société n'a déclaré aucun dividende sur les actions privilégiées et, au 31 décembre 1980, les arrérages à ce titre s'établissaient à \$916 000 (1979—\$733 000). Les dividendes sur les actions privilégiées sont arriérés de plus de quatre trimestres, donnant ainsi au détenteur d'actions privilégiées certains droits, notamment celui d'être convoqué et de participer à toutes les assemblées des actionnaires et de voter personnellement (à raison d'une voix par action) et solidairement, pour élire deux administrateurs.

(ii) Les conditions relatives aux actions privilégiées comprennent une clause restrictive quant au paiement des dividendes sur les actions ordinaires. De plus, les débiteures mentionnées à la note 3 sont assorties de certaines conditions restrictives concernant le versement des dividendes.

## 6. Opérations entre apparentés :

Skanska International A.B. qui est engagée dans plusieurs entreprises en participation avec la Société a acquis 48% des actions ordinaires de cette dernière au cours de l'exercice. Le 31 décembre 1980, la Société et ses filiales lui étaient redevables, au titre de ces entreprises en participation, d'un montant net de \$415 823 qui est comptabilisé dans le bilan consolidé au poste Créanciers et passif couru.

## 7. Passif éventuel, réclamations et poursuites judiciaires :

La Société et ses filiales sont parties à certaines réclamations et actions en justice résultant de contrats de construction et d'expertise-conseil. De l'avis de la direction, il a été tenu compte de façon appropriée de tout passif et recouvrement éventuels dans les états financiers, et le résultat net de ces litiges ne devrait pas modifier sensiblement les comptes de la Société ou de ses filiales. Les affaires les plus importantes peuvent se résumer comme suit :

- Une filiale a engagé des poursuites contre le ministère de la Voirie de la Colombie-Britannique, lui réclamant le versement d'une somme additionnelle destinée à la dédommager des difficultés qu'elle a éprouvées au cours de la réalisation d'un contrat.

- Une filiale négocie actuellement, avec le ministère des Travaux publics du gouvernement du Canada, le versement d'une somme additionnelle destinée à la rémunérer pour des travaux supplémentaires qu'elle a effectués, et à la dédommager de frais engagés par suite de difficultés éprouvées au cours de la réalisation de deux contrats.
- La Société centrale d'hypothèque et de logement a engagé des poursuites, en août 1977, contre une filiale pour vices présumés de conception et d'exécution dans le cadre d'un contrat achevé en 1973.

## 8. Résultats par action :

La perte nette par action ordinaire s'établit comme suit :

	Exercice Terminé le 31 décembre	
	1980	1979
Perte avant poste extraordinaire . . . . .	\$(1,60)	\$(1,05)
Poste extraordinaire . . . . .	0,19	0,25
Perte nette de l'exercice . . . . .	<u>\$(1,41)</u>	<u>\$(0,80)</u>

Les dividendes sur les actions privilégiées ont été pris en compte dans le calcul des résultats par action ci-dessus.

## RAPPORT DES VÉRIFICATEURS

### Aux actionnaires de Canadian Foundation Company Ltd.

Nous avons vérifié le bilan consolidé de Canadian Foundation Company Ltd. au 31 décembre 1980 ainsi que l'état des résultats consolidés et du déficit accumulé consolidé et l'état de l'évolution de la situation financière consolidée de l'exercice terminé à cette date. Notre vérification a été effectuée conformément aux normes de vérification généralement reconnues, et a comporté par conséquent les sondages et autres procédés que nous avons jugés nécessaires dans les circonstances.

À notre avis, ces états financiers consolidés présentent fidèlement la situation financière de la Société au 31 décembre 1980 ainsi que les résultats de son exploitation et l'évolution de sa situation financière pour l'exercice terminé à cette date selon les principes comptables généralement reconnus, appliqués de la même manière qu'au cours de l'exercice précédent.

*Price Waterhouse & Co.*

Toronto, le 15 avril 1981  
Comptables agréés



C

# CANADIAN FOUNDATION COMPANY LTD. LA COMPAGNIE FOUNDATION CANADIENNE LTÉE

## ANNUAL MEETING OF SHAREHOLDERS

Richmond and Wellington Rooms, Convention Centre  
Toronto Harbour Castle Hilton Hotel  
One Harbour Square, Toronto, Ontario

**To be held Tuesday, June 16, 1981 at 10:00 o'clock in the forenoon  
(Toronto time)**

### NOTICE

NOTICE IS HEREBY GIVEN that the annual meeting of shareholders of Canadian Foundation Company Ltd. (the "Corporation") will be held in the Richmond and Wellington Rooms, Convention Centre, Toronto Harbour Castle Hilton Hotel, One Harbour Square, Toronto, (Ontario), on Tuesday, June 16, 1981, at the hour of 10:00 o'clock in the forenoon, (Toronto time) for the following purposes:

1. To receive the comparative consolidated financial statements, report of the auditors thereon and the report of the directors of the Corporation for the fiscal year ended December 31, 1980;
2. To elect directors for the ensuing year;
3. To appoint auditors for the year 1981 and to authorize the Board of Directors to fix their remuneration;
4. To transact such other business as may properly be brought before the meeting;
5. To adjourn the meeting from time to time and from place to place in such manner, with or without notice, as the meeting may see fit.

You will find enclosed herewith the annual report for 1980, the proxy circular and a form of proxy.

Shareholders who are unable to attend the meeting in person are requested to fill in, sign, date and return the enclosed form of proxy to the Secretary, in care of Montreal Trust Company, 15 King Street West, Toronto, Ontario M5H 1B4, in the envelope provided for that purpose.

GIVEN at the City of Toronto, this 20th day of May, 1981.

By order of the Board of Directors

K. H. JACOBY  
Secretary

# CANADIAN FOUNDATION COMPANY LTD. LA COMPAGNIE FOUNDATION CANADIENNE LTÉE

## PROXY CIRCULAR

This Proxy Circular is furnished in connection with the solicitation by the management of Canadian Foundation Company Ltd. (the "Corporation") of proxies to be voted at the Annual Meeting of shareholders of the Corporation to be held on the 16th day of June, 1981, at the time and place and for the purposes set forth in the accompanying notice of said meeting and at any and all adjournments thereof. The information herein contained is given as of May 7, 1981.

### Solicitation of Proxies

**THE ENCLOSED PROXY IS BEING SOLICITED BY THE MANAGEMENT OF THE CORPORATION.** The management does not contemplate a solicitation of proxies otherwise than by use of the mail. The cost of solicitation of proxies will be borne by the Corporation.

### Revocation of Proxies

A shareholder giving a proxy pursuant to this solicitation may revoke any such proxy by instrument in writing executed by the shareholder or by his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, or with the Chairman of the meeting on the day of the meeting, or any adjournment thereof.

### Appointment of Proxies

The persons named in the enclosed form of proxy are directors of the Corporation. **EACH SHAREHOLDER IS ENTITLED TO APPOINT A PERSON TO REPRESENT HIM AT THE MEETING OTHER THAN THE INDIVIDUALS NAMED IN THE FORM OF PROXY ENCLOSED.**

A shareholder desiring to appoint some other person (who need not be a shareholder) to represent him at the meeting may do so either by striking out the names of the management nominees set forth in the form of proxy and by inserting such person's name in the blank space provided therein or by completing another proper form of proxy, and, in either case, sending the completed proxy to the Secretary of the Corporation, c/o Montreal Trust Company, 15 King Street West, Toronto, Ontario M5H 1B4, for delivery before the meeting or giving it to the Chairman at the meeting.

### Exercise of Discretion of Proxies

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the directions of the shareholders appointing them. **IN THE ABSENCE OF SUCH DIRECTIONS, SUCH SHARES WILL BE VOTED: (A) FOR THE APPROVAL OF THE REPORT OF THE DIRECTORS, AND CONSOLIDATED FINANCIAL STATEMENTS AND REPORT OF THE AUDITORS THEREON; (B) FOR THE ELECTION OF DIRECTORS; (C) FOR THE APPOINTMENT OF AUDITORS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of meeting and with respect to such other matters as may properly come before the meeting. At the time of printing this circular, the management of the Corporation knows of no such amendments, variations or other matters other than the matters referred to in the notice of meeting.

### Voting Shares and Principal Holders Thereof

The Corporation is authorized to issue a maximum of 310,000 cumulative, redeemable preference shares and an unlimited number of common shares. There are outstanding as at the date hereof 1,199,616 Common Shares without nominal or par value, each carrying the right to one vote per share, and 152,825.5 Preferred Shares of the capital stock of the Corporation, carrying no voting rights unless and until dividends are in arrears by more than six quarterly payments.

The Corporation has not fixed a record date and, in accordance with the Provisions of the Canada Business Corporations Act, the failure of any shareholder of the Corporation to receive a notice of the time and place for holding a Meeting of shareholders of the Corporation does not deprive the shareholder of a vote at the Meeting if the shareholder is registered on the books of the Corporation at least forty-eight hours, excluding Saturdays and holidays, before the time set for the Meeting.

Such holders of the Common and Preference Shares will be entitled to vote at the Meeting and at any adjournment thereof if present or represented by proxy thereat.

With the exception of the shareholders mentioned immediately hereafter, the directors and officers of the Corporation do not know of any person or company beneficially owning or exercising direction or control over shares carrying more than 10% of the votes attached to all shares of the Corporation.

Skanska International AB owns 577,126 Common Shares, representing 42.67% of all the outstanding voting shares of the Corporation. Furthermore, since the date of the last meeting of shareholders, Le Holding I.H.M. Ltée sold 457,128 Common Shares of the Corporation; Crestvale Management Services Ltd., Toronto, purchased 288,564 Common Shares and Lake & Co., Toronto, purchased 168,564 Common Shares, representing 21.34% and 12.48% respectively of all the outstanding voting shares of the Corporation.

### Election of Directors

The Board of Directors consists of thirteen (13) directors to be elected annually. The Articles of the Corporation provide that the Board of Directors shall consist of such number, being not less than seven (7) and not more than fifteen (15) directors, as may be determined from time to time by the Board of Directors. The persons named in the enclosed form of proxy intend to vote at the Annual Meeting of shareholders for the election of the eleven (11) nominees whose names are set forth below, all of whom (with the exception of Messr. D.R. Day) are now members of the Board of Directors and have been since the dates indicated. **MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR BUT, IF THAT SHOULD OCCUR FOR ANY REASON PRIOR TO THE MEETING, THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY RESERVE THE RIGHT TO VOTE FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS SHARES ARE TO BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS.** Each director elected will hold office until the election of his successor, unless his term of office ends earlier in accordance with the By-laws.

In the following table and the notes thereto is stated the name of each person proposed to be nominated by management for election as a director, all other major positions and offices with the Corporation or any of its significant affiliates presently held by him, his present principal occupation or employment, the year in which he became a director of the Corporation, and the approximate number of common and preference shares of the Corporation beneficially owned by him or over which he exercises control or direction as at the date hereof.

The holders of preference shares, voting separately as a class, will elect two (2) directors.

<u>Name, Principal Occupation and Major Positions and Offices with the Corporation and Significant Affiliates</u>	<u>Period of service as a director</u>	<u>Approximate number of Common Shares of the Corporation Beneficially Owned</u>	<u>Approximate number of Preference Shares of the Corporation Beneficially Owned</u>
D.R. DAY President and Chief Executive Officer, Western Capital Trust			
*R. KINDBOM Executive Vice-President of the Corporation, and the Foundation Company of Canada Limited	1980 to date		
K.A.B. LOWHAGEN (1) Since 1979, a Director of Skanska Cementgjuteriet AB; since 1981, President	1980 to date	1	
THE HON. L. LANGLOIS, B.A., LL.L., Q.C. Partner – Langlois, Drouin, Roy, Frechette & Gaudreau (Solicitors)	1971 to date	10	
*R.I. MARTIN, Q.C. Partner – Hume, Martin, Timmins (Solicitors)	1968 to date	2,800	
E. M. MAXWELL – Consultant	1976 to date	10	
*A. G. McCAUGHEY, B.COMM., C.A. (2) Chairman of the Board of the Corporation since 1980, President of North American Life Assurance Company since 1980	1980 to date	1	
*P.G. OPLER, P.Eng. Executive Vice-President of the Corporation, President, Foundation International Ltd., Executive Vice-President of The Foundation Company of Canada Limited	1976 to date	120,050	

Name, Principal Occupation and Major Positions and Offices with the Corporation and Significant Affiliates	Period of service as a director	Approximate number of Common Shares of the Corporation Beneficially Owned	Approximate number of Preference Shares of the Corporation Beneficially Owned
H.D. ROBERTS, M.D., F.R.C.S. (C)	1971 to date	1,000	200
D.H. WARD Honourary Chairman, Dominion Securities Limited	1968 to date	1	
*V. WARNHAMMAR, Consultant, since 1974	1980 to date	1	

\* Denotes Member of the Executive Committee

NOTES:

- (1) Skanska International AB, with whom Mr. K.A.B. Lowhagen is associated, owns 577,126 voting shares of the Corporation.
- (2) Crestvale Management Services Ltd., with whom Mr. A.G. McCaughey is associated, owns 288,564 voting shares of the Corporation.
- (3) The information as to shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the respective directors individually.

**Appointment of Auditors**

Messrs. Price Waterhouse & Co. are the auditors of the Corporation and have held such position for a period in excess of the preceding five years. It is proposed by the management of the Corporation that such firm be reappointed the auditors of the Corporation at the annual meeting and that the Board of Directors be authorized to fix their remuneration.

**Remuneration of Directors and Officers**

The following information is given for the last completed financial year of the Corporation ended December 31, 1980, in accordance with sub-paragraph 35(t)(v) of the Canada Business Corporations Act Regulations:

**DIRECTORS' AND OFFICERS' REMUNERATION FROM THE CORPORATION AND ITS SUBSIDIARIES**

	Nature of Remuneration Earned					Total
	Directors' fees	Salaries	Bonuses	Non-accountable expense allowance	Others	
REMUNERATION OF DIRECTORS as directors of the Corporation and its subsidiaries:						
(A) Number of directors: 10 directors and 2 past directors						
(B) Body corporate incurring the expense: The Foundation Company of Canada Limited	\$ 23,850	nil	nil	nil	nil	\$ 23,850
REMUNERATION OF OFFICERS of the Corporation who received in their capacity as officers or employees of the Corporation and its subsidiaries aggregate remuneration in excess of \$40,000:						
(A) Number of officers: 4 officers (2 of whom were directors)						
(B) Body corporate incurring the expense: The Foundation Company of Canada Limited	nil	\$248,853	\$10,000	nil	nil	\$258,853
	<u>\$ 23,850</u>	<u>\$248,853</u>	<u>\$10,000</u>	<u>nil</u>	<u>nil</u>	<u>\$282,703</u>

Estimated aggregate costs to the Corporation and its subsidiaries in the last completed financial year of pension benefits established under the Corporation's normal pension plan were: (a) to the directors as such: nil; (b) to the officers described above, as such (2 of whom were also directors): \$6,528.

### **Directors' and Officers' Liability Insurance**

The directors and officers of the Corporation and the Corporation are insured against certain liabilities under a directors' and officers' liability insurance policy, which policy includes a company reimbursement clause. The approximate amounts of premium paid by the Corporation for the year 1980 in respect of the directors as a group and the officers as a group were \$1,590 and \$1,410, respectively.

Such policy of insurance provides, inter alia, for a limit of liability of an aggregate amount of \$3,000,000 in each policy year and for retentions of \$20,000 in respect of each director and officer and in respect of each loss, but in no event exceeding \$20,000 in the aggregate for each such loss, and \$75,000 in respect of each loss under the company reimbursement clause.

The insurer under the provisions of the policy is required to pay 95% of that portion of each loss up to \$3,000,000 remaining after deduction of such retentions.

Pursuant to the by-laws of the Corporation, the Corporation is required, in effect, to indemnify and save harmless each director or officer from liabilities arising in the honest and faithful performance of his duties.

### **Board of Directors Approval**

I, Klaus H. Jacoby, Secretary of Canadian Foundation Company Ltd., hereby certify that the contents and sending of this Proxy Circular have been approved by resolution of the Board of Directors of the Corporation.

The information contained herein is given as of May 7, 1981.



K.H. JACOBY  
Secretary

Toronto, Ontario,  
May 20, 1981.

