

BENNETT ENVIRONMENTAL INC

Form 6-K

April 30, 2004

**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
of the
Securities Exchange Act of 1934

For the month of April, 2004

Bennett Environmental Inc.

(Translation of registrant's name into English)

Suite 208, 1540 Cornwall Road, Oalville ON L6J 7W5

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F

Form 20-F

Please note that pursuant to Rule 12g3-2(d)(1), this registrant, being registered under Section 12, is not eligible for redemption under Rule 12g3-2(b). Accordingly, the following two questions are not relevant to this registrant and are therefore left blank.

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes

No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):82-_____.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Bennett Environmental Inc.
(Registrant)

Date: April 29, 2004

By /s/ John Bennett
:

[Print] Name : John Bennett
Title : Chief Executive
Officer

**BENNETT
ENVIRONMENTAL INC.
NOTICE OF MEETING
and
MANAGEMENT
INFORMATION AND PROXY
CIRCULAR
for the
Annual and Special General Meeting
to be held on
Tuesday, May 25, 2004**

BENNETT ENVIRONMENTAL INC.

April 23, 2004

Dear shareholder:

It is my pleasure to invite you to attend the Corporation's 2004 Annual and Special General Meeting of shareholders. The meeting will be held on Tuesday, May 25, 2004 at 4:30 p.m. (Toronto time) at the TSX Conference Centre, The Exchange Tower, 130 King Street West, Toronto, Ontario.

I enclose the formal Notice of Meeting, Management Information and Proxy Circular, and form of proxy. If you are unable to attend the meeting in person, please complete, date, sign and return the enclosed form of proxy in the envelope provided to ensure that your vote is counted.

Yours Sincerely,

(signed) John Bennett
Chairman

BENNETT ENVIRONMENTAL INC.

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the annual and special general meeting (the **Meeting**) of the shareholders of Bennett Environmental Inc. (the **Corporation**) will be held at the TSX Conference Centre, The Exchange Tower, 130 King Street West, Toronto, Ontario on Tuesday, May 25, 2004 at 4:30 p.m. (Toronto time), for the following purposes:

- (a) to receive the annual report of the directors to the shareholders of the Corporation;
- (b) to receive the financial statements of the Corporation for the fiscal year ended December 31, 2003, together with the report of the auditors thereon;
- (c) to elect directors to hold office until the next annual general meeting;
- (d) to appoint KPMG LLP, Chartered Accountants, as auditor to hold office until the next annual general meeting at a remuneration to be fixed by the directors of the Corporation;
- (e) to consider and, if thought appropriate, to pass an ordinary resolution renewing the Amended and Restated Shareholder Rights Plan Agreement dated May 24, 2001 (the Amended and Restated Rights Plan) between the Corporation and Computershare Trust Company of Canada, the complete text of which is set out under Particular Matters to be acted Upon Renewal of Shareholders Rights Plan in the attached Management Information and Proxy Circular for the Meeting and is incorporated herein by reference; and
- (f) to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Accompanying this Notice of Meeting are: (1) a Management Information and Proxy Circular; (2) a form of proxy and notes thereto; and (3) a reply card for use by shareholders who wish to receive the Corporation's interim and/or annual financial statements.

If you are a *registered shareholder* of the Corporation and are unable to attend the Meeting in person, please date and execute the accompanying form of proxy, and deposit it with Computershare Trust Company of Canada at 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department before 4:30 p.m. (Toronto time) on Friday, May 21, 2004, or not less than 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting, unless the Chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

If you are a *non-registered shareholder* of the Corporation and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or such other intermediary. **If you fail to follow these instructions, your shares may not be eligible to be voted at the Meeting.**

This Notice of Meeting, the Management Information and Proxy Circular, the form of proxy and notes thereto for the Meeting, and the reply card are first being sent to shareholders of the Corporation on or about May 4, 2004.

DATED at Vancouver, British Columbia, this 23 day of April, 2004.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) John Bennett
Chairman

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BENNETT ENVIRONMENTAL INC.

MANAGEMENT INFORMATION AND PROXY CIRCULAR

Solicitation of Proxies

This Management Information and Proxy Circular (Information Circular) is furnished in connection with the solicitation of proxies by the management of Bennett Environmental Inc. (BEI or the Corporation) to be voted at the annual and special general meeting of the shareholders of the Corporation to be held on Tuesday, May 25, 2004 (the Meeting) at the time and place and for the purposes set forth in the accompanying Notice of Meeting.

It is anticipated that this Information Circular and the accompanying Notice of Meeting and form of proxy will be first mailed to the shareholders of the Corporation on or about May 4, 2004. Unless otherwise stated, the information contained in this Information Circular is given as at April 7, 2004.

While it is expected that the solicitation for proxies will be conducted primarily by mail, the directors and employees of the Corporation may, without special compensation, solicit proxies personally or by telephone. The Corporation may retain other persons or companies to solicit proxies on behalf of management, in which event the customary fees for such services will be paid. All costs of solicitation will be borne by the Corporation.

Appointment and Revocation of Proxies

The individuals named in the accompanying form of proxy are directors or officers of the Corporation. A shareholder wishing to appoint some other person (who need not be a shareholder) to represent him or her at the Meeting has the right to do so, either by inserting such person's name in the blank space provided in the form of proxy and striking out the two printed names, or by completing another form of proxy. A proxy will not be valid unless the duly completed, signed and dated form of proxy is received at the office of Computershare Trust Company of Canada at 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department before 4:30 p.m. (Toronto time) on Friday, May 21, 2004, or not less than 48 hours (excluding Saturdays, Sundays and holidays) or any adjournment thereof, unless the Chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

A shareholder who has given a proxy may revoke it (a) by an instrument in writing executed by the shareholder or by his or her attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either (i) to the registered office of the Corporation at 900 Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia, V7X 1T2 at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, or (ii) to the Chairman of the Meeting on the day of the Meeting or, if adjourned, any reconvening thereof, or (b) in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

Voting of Shares Represented by Proxy and Discretionary Powers

Common Shares represented by proxies may be voted by the proxyholder on a show of hands, except where the proxyholder has conflicting instructions from more than one shareholder, in which case such proxyholder will not be entitled to vote on a show of hands. In addition, Common Shares represented by proxies will be voted on any poll. In either case, where a choice with respect to any matter to be acted upon has been specified in the proxy, the Common Shares will be voted or withheld from

voting in accordance with the specification so made. **Where no choice is so specified with respect to any resolution or in the absence of certain instructions, the Common Shares represented by a proxy given to management will be voted in favour of the resolution. If more than one direction is made with respect to any resolution, such Common Shares will similarly be voted in favour of the resolution.**

The enclosed form of proxy when properly completed and delivered and not revoked confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their best judgement on such matters or business. At the time of the printing of this Information Circular, the management of the Corporation knows of no such amendment, variation or other matter which may be presented to the Meeting.

Record Date and Right to Vote

The record date for the determination of shareholders entitled to receive notice of the Meeting has been fixed by the Board of Directors at the close of business on April 20, 2004.

Every shareholder of record at the close of business on April 20, 2004 who personally attends the Meeting will be entitled to vote at the Meeting or any adjournment thereof, except to the extent that:

- (a) such shareholder has transferred the ownership of any of his or her Common Shares after April 20, 2004; and
- (b) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares, and demands, not later than 10 days before the Meeting, that his or her name be included in the list of shareholders entitled to vote at the Meeting, in which case the transferee is entitled to vote those Common Shares at the Meeting.

A person duly appointed under an instrument of proxy will be entitled to vote the Common Shares represented thereby only if the proxy is properly completed and delivered in accordance with the requirements set out above under Appointment and Revocation of Proxies and has not been revoked.

Securities Entitled to Vote

As of April 19, 2004, 18,305,739 Common Shares were issued and outstanding. The Corporation has no other classes of voting securities.

Every shareholder who is present in person and entitled to vote at the Meeting shall have one vote on a show of hands and on a poll shall have one vote for each Common Share of which the shareholder is the registered holder and such shareholder may exercise such vote either in person or by proxyholder.

Principal Shareholders

To the knowledge of the directors and senior officers of the Corporation, no persons or companies beneficially own, directly or indirectly, or exercise control or direction over Common Shares

carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Corporation.

Quorum and Percentage of Votes Necessary to Pass Resolutions

Under By-Law No. 1 of the Corporation, the quorum for the transaction of business at the Meeting consists of two persons present in person, each being a shareholder entitled to vote at the Meeting or a duly appointed proxyholder for an absent shareholder so entitled, and holding or representing not less than 10% of the total number of issued Common Shares outstanding as of April 20, 2004 entitled to vote.

An ordinary resolution submitted for approval at the Meeting must be passed by a simple majority of the votes cast, in person or by proxies, at the Meeting. The ordinary resolution to approve an amendment to the Amended and Restated Shareholder Rights Plan Agreement dated made as of May 24, 2001, as described under Particulars of Matters to be Acted Upon Renewal of Shareholders Rights Plan , must be approved by a majority of more than 50% of the votes cast by the Independent Shareholders as defined in the Amended and Restated Shareholder Rights Plan. Independent Shareholders are defined in the Amended and Restated Shareholder Rights Plan as all holders of Common Shares, excluding any Acquiring Person (as defined in the Amended and Restated Shareholder Rights Plan), any person who announced an intention to make a take-over bid for the Common Shares, any affiliate, associate or person acting jointly or in concert with such excluded persons, and except in certain circumstances, any trustee of any employee benefit plan, share purchase plan, deferred profit sharing plan or other similar plan or trust for the benefit of employees of the Corporation. As of the date of this Information Circular, the Corporation is not aware of any votes that will not be counted for the purposes of determining whether this majority has been obtained.

Particulars of Matters to be Acted Upon

Election of Directors

The Board of Directors presently consists of six directors. The Articles of the Corporation stipulate that there shall be a minimum of two and a maximum of 15 directors.

The term of office of each of the present directors expires at the Meeting. The six persons named below will be presented for election at the Meeting as management s nominees and the persons named in the accompanying form of proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of shareholders of the Corporation or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles or By-laws of the Corporation or with the provisions of the CBCA.

The following table sets out the names of nominees for election as directors, the country in which each is ordinarily resident, all offices of the Corporation now held by each of them, their principal occupations, the period of time for which each has been a director of the Corporation and the number of Common Shares of the Corporation or any of its subsidiaries beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at April 7, 2004:

Name, Position and Country of Residence ⁽¹⁾	Principal Occupation or Employment ⁽¹⁾	Director Since	Common Shares Held ⁽¹⁾
John Bennett Canada <i>Director and Chairman</i>	Chairman and former CEO of the Corporation	1992	1,552,619 ⁽²⁾
Adam Lapointe ^{(3) (4)} Canada <i>Director</i>	President Pluri-Capital Inc., a Quebec based venture capital company	2001	100
Pierre Meunier ⁽⁵⁾ Canada <i>Director</i>	Partner Fasken Martineau DuMoulin, a law firm	1997	33,500
George Ploder ^{(3) (6) (7)} Canada <i>Director</i>	Director of various companies ⁽⁷⁾	2002	10,000
David Williams ^{(3) (4)} Canada <i>Director</i>	President Roxborough Holdings Ltd., a private investment company	2002	300,000
James Blanchard ⁽⁴⁾ USA <i>Director</i>	Partner Piper Rudnick LLP	2003	Nil

(1) The information as to country of residence, principal occupation or employment, and Common Shares beneficially owned is not within the knowledge of management of the Corporation and has been furnished by the respective nominees. The principal occupation or employment of the directors are for the past five years. Information regarding Common Shares held does not include Common Shares issuable upon the exercise of options, stock appreciation rights or warrants.

(2) Includes 537,494 Common Shares held by Mr. Bennett's wife.

(3) Member of the Audit Committee.

(4) Member of the Corporate Governance Committee.

(5) Member of the Environmental Review and Safety Committee.

(6) Member of the Human Resources and Compensation Committee.

- (7) Mr. Ploder is currently a director of Vital Retirement Living Inc., a company that provides retirement services and facilities, Patheon Inc., a provider of pharmaceutical contract manufacturing and drug development services. Until March 1999, Mr. Ploder was the President and Chief Executive Officer of Bracknell Corporation, a Toronto Stock Exchange listed North American facilities service provider.

Appointment of Auditor

Unless otherwise instructed, the proxies given pursuant to this solicitation for the Meeting will be voted for the re-appointment of KPMG LLP, Chartered Accountants, of Vancouver, British Columbia, as the auditor of the Corporation to hold office until the close of the next annual general meeting of the Corporation at a remuneration to be fixed by the directors of the Corporation. KPMG LLP was first appointed auditor of the Corporation in 1992.

Renewal of Shareholders Rights Plan

Background of the Rights Plan

Effective April 29, 1998, the Corporation entered into a Shareholder Rights Plan Agreement (the **Original Shareholder Rights Plan**) with Computershare Trust Company of Canada (formerly Montreal Trust Company of Canada), as a rights agent. The Original Shareholder Rights Plan was approved by Board of Directors on April 29, 1998 and was subsequently confirmed by the shareholders of the Corporation at the Corporation's Annual General Meeting held on June 5, 1998.

The Original Shareholder Rights Plan had a term of three years, expiring at the close of the Corporation's Annual General Meeting held on May 24, 2001. On April 11, 2001 the Board of Directors approved two amendments to the Original Shareholder Rights Plan, subject to the approval of shareholders and applicable regulatory authorities: (i) an amendment to renew the term of the Original Shareholder Rights Plan for a further three years expiring at the close of the first annual meeting of shareholders after April 29, 2004, and (ii) to exclude from the definition of persons deemed to Beneficially Own securities of the Corporation, persons who have entered into lock-up agreements with existing shareholders provided such agreements meet certain conditions. At the Annual and Special General Meeting held on May 24, 2001 the shareholders approved the Amended and Restated Shareholder Rights Plan Agreement, which incorporated the Original Shareholder Rights Plan and the approved amendments.

On April 7, 2004, the Board of Directors approved, subject to the approval of shareholders and applicable regulatory authorities an amendment to the Amended and Restated Shareholder Rights Plan (the **Second Amended and Restated Shareholder Rights Plan**) to renew the term of the Amended and Restated Shareholder Rights Plan for a further three years expiring at the close of the first annual meeting of shareholders after April 29, 2007.

Implementation of the Second Amended and Restated Shareholder Rights Plan will be subject to, among other things, the approval of the Toronto Stock Exchange and approval at the Meeting by the requisite majority of the shareholders. The proposed amendment must be approved by a majority of more than 50% of the votes cast by Independent Shareholders (as defined in the Amended and Restated Shareholder Rights Plan). See Quorum and Percentage of Votes Necessary to Pass Resolutions .

A draft copy of the Second Amended and Restated Rights Plan is attached as **Schedule A** to this Information Circular. Unless otherwise defined, capitalized terms used in this Information Circular in relation to the Rights Plan have the same meaning given to them in the Second Amended and Restated Rights Plan. A brief description of the background and purpose of the Rights Plan and a summary of the terms of the Second Amended and Restated Rights Plan is set out below.

Renewal of Shareholders Rights Plan

The Rights Plan is designed to encourage the fair treatment of shareholders in connection with any take-over offer for the Corporation. The Rights Plan will provide the Board of Directors and the shareholders with more time to fully consider any unsolicited take-over bid for the Corporation without undue pressure, to allow the Board of Directors to pursue, if appropriate, other alternatives to maximize shareholder value and to allow additional time for competing bids to emerge. Currently, securities legislation in Canada requires a take-over offer to remain open for only 35 days. The Board of Directors does not believe that this period will always be sufficient to permit the Board of Directors to determine whether there may be alternatives available to maximize shareholder value or whether other bidders may be prepared to pay more for the Corporation's shares than the offeror.

Neither at the time of adoption of the Rights Plan nor at the date of this Information Circular was the Board of Directors aware of any pending or threatened take-over bid or offer for Common Shares.

Under the Rights Plan, a bidder making a Permitted Bid for Common Shares of the Corporation may not take up any shares before the close of business on the 60th day after the date of the bid and unless more than 50.1% of the Corporation's Common Shares not Beneficially Owned by the person making the bid and certain related parties are deposited, in which case the bid must be extended for 10 business days on the same terms. The Rights Plan will encourage an offeror to proceed by way of Permitted Bid or to approach the Board with a view to negotiation by creating the potential for substantial dilution of the Offeror's position. The Permitted Bid provisions of the Rights Plan are designed to ensure that, in any take-over bid, all shareholders are treated equally, receive the maximum available value for their investment and are given adequate time to properly assess the bid on a fully informed basis. The Rights Plan may preclude the consideration or acceptance of offers which are inadequate and do not meet the requirements of a Permitted Bid.

The Rights Plan is not being proposed in response to, or in anticipation of, any acquisition or take-over offer and is not intended to prevent a take-over of the Corporation, to secure continuance of current management or the directors in office or to deter fair offers for the Common Shares of the Corporation. The Rights Plan does not inhibit any shareholder from using the proxy mechanism set out in the *Canada Business Corporations Act* to promote a change in the management or direction of the Corporation, including the right of holders of not less than 5% of the issued noting shares to requisition the directors to call a meeting of shareholders to transact any proper business stated in the requisitions. The Rights Plan may, however, increase the price to be paid by a potential offeror to obtain control of the Corporation and may discourage certain transactions.

The Rights Plan does not affect in any way the financial condition of the Corporation. The initial issuance of the Rights was not dilutive and will not affect reported earnings or cash flow per share until the Rights separate from the underlying Common Shares and become exercisable. The Rights Plan will not lessen or affect the duty of the Board to act honestly and in good faith and in the best interest of the Corporation. The Rights Plan is designed to provide the board with the means to negotiate with an offeror and with sufficient time to seek out and identify alternative transactions on behalf of the Corporation's shareholders.

Summary of Terms

To implement the Rights Plan, one Right was issued by the Corporation in respect of each Common Share outstanding at 4:30 p.m. (Vancouver time) on April 29, 1998 (the **Record Time**). Also, one Right has and will be issued for each additional Common Share issued after the Record Time and prior to the earlier of the Separation Time and Expiration Time. Each Right will entitle the holder to purchase from the Corporation one Common Share at the price of \$100, subject to certain anti-dilution adjustments. The Rights, however, will not be exercisable until the Separation Time. Upon the occurrence of a Flip-in Event, each Right will entitle the holder to purchase for \$100 Common Shares having a market price of \$200.

This issuance of Rights will not change the manner in which shareholders currently trade their Common Shares. Shareholders do not have to return their certificates in order to have the benefit of the Rights.

Until the Separation Time, the Rights will trade together with the Common Shares, will be represented by the Common Share certificates and will not be exercisable. After the Separation Time, the

Rights will become exercisable, will be evidenced by Rights certificates and will be transferable separately from the Common Shares.

The **Separation Time** is defined in the Rights Plan as the close of business on the eighth Trading Day (or such earlier or later date as may be determined by the Board) after the earlier of:

- (a) the Stock Acquisition Date, which is the date of the first public announcement that a Person has become an Acquiring Person (defined in the Rights Plan as a person who has acquired, other than pursuant to an exemption available under the Rights Plan or pursuant to a Permitted Bid, Beneficial Ownership of 20% or more of the Voting Shares of the Corporation); and
- (b) the date of the commencement of, or first public announcement of an intention to commence, a Take-over Bid (other than a Permitted Bid or a Competing Permitted Bid) to acquire Beneficial Ownership of 20% or more of the Voting Shares of the Corporation.

A **Permitted Bid** is defined in the Rights Agreement as a Take-over Bid made by takeover bid circular and which also complies with the following requirements:

- (a) the bid is made by take-over bid circular to all holders of Common Shares wherever resident; and
- (b) the Take-over Bid must be open for at least 60 days and more than 50.1% of the outstanding Common Shares of the Corporation (other than shares Beneficially Owned by the Offeror on the date of the bid) must be deposited under the bid and not withdrawn before any shares may be take up and paid for and, if more than 50.1% of the Common Shares are so deposited and not withdrawn, an announcement of such fact must remain open for a further 10-day period.

If an Offeror successfully completes a Permitted Bid, the Rights Plan provides that the Rights will be redeemed at \$0.00001 per Right.

A Permitted Bid, even if not approved by the Board, may be taken directly to the shareholders of the Corporation. Shareholders' approval at a meeting will not be required for a Permitted Bid. Instead, shareholders of the Corporation will initially have 60 days to deposit their shares. If more than 50.1% of the outstanding Common Shares of the Corporation (other than Common Shares Beneficially Owned by the Offeror on the date of the Take-over Bid) have been deposited and not withdrawn by the end of such 60-day period, the Permitted Bid must be extended for a further period of 10 days to allow initially disapproving shareholders to deposit their shares if they so choose.

If a potential Offeror does not wish to make a Permitted Bid, it can negotiate with, and obtain the prior approval of, the Board to make a bid by Take-over Bid circular on terms which the Board considers fair to all shareholders. In such circumstances, the Board may waive the application of the Rights Plan to that transaction, thereby allowing such bid to proceed without dilution to the Offeror, and will be deemed to have waived the application of the Rights Plan to all other contemporaneous bids made to Take-over Bid circular. All other waivers require shareholder approval.

Under the Second Amended and Restated Rights Plan Agreement, a Flip-in Event is any transaction or event in which any Person becomes an Acquiring Person. Except as set out below, from and after the close of business on the eighth trading day following the Stock Acquisition Date:

- (a) any Rights Beneficially Owned by the Acquiring Person and affiliates, associates and transferees of the Acquiring Person or any person acting jointly or in concert with the Acquiring Person will become void; and

(b) each Right (other than Rights which are void) will entitle the holder thereof to purchase Common Shares having a market price of \$200 for \$100.

Accordingly, a Flip-in Event that is not approved by the Board will result in significant dilution to an Acquiring Person. The Board may, with shareholder approval, at any time prior to the occurrence of a Flip-in Event, elect to redeem all of the outstanding Rights at a redemption price of \$0.00001 per Right.

The Corporation may, from time to time supplement or amend the Second Amended and Restated Rights Plan Agreement to correct clerical or typographical errors or to maintain the enforceability of the Rights Plan as a result of a change in law. All other amendments require shareholder and regulatory approval.

Canadian Federal Income Tax Consequences

The Corporation will not include any amount in income for the purposes of the *Income Tax Act* (Canada) (the **Act**) as a result of the issue of the Rights. A right to acquire additional shares of the Corporation granted to a holder of Common Shares does not constitute a taxable benefit to the recipient that must be included in the income or that is subject to non-resident withholding tax if all holders of Common Shares are granted the right. A Right was issued in respect of each Common Share outstanding at the Record Time. Therefore, holders of Common Shares should not have an income inclusion or liability for non-resident withholding tax upon the issuance of the Rights. In any event, the Corporation considers that the Rights have a negligible monetary value because the Corporation is not aware of any acquisition or take-over offer which will give right to a Flip-in Event and there is only a remote possibility that the Rights will be exercised.

Shareholder Approval

At the Meeting, shareholders will be asked to consider and, if thought appropriate, to pass the following ordinary resolution:

IT IS HEREBY RESOLVED, as an ordinary resolution of the shareholders of the Corporation, that:

- (a) the amendments to the Amended and Restated Shareholder Rights Plan Agreement made as of May 24, 2001 between the Corporation and Computershare Trust Company of Canada as rights agent, substantially as described in the Management Information and Proxy Circular for the 2004 annual and special general meeting of shareholders of the Corporation, in such final form as may be approved by the Board of Directors of the Corporation and the Toronto Stock Exchange, are hereby approved; and
- (b) any one of a group comprised of the directors and officers of the Corporation be, and is hereby authorized and directed, for and on behalf of and in the name of the Corporation, to do all such acts and things to execute, whether under the corporate seal of the Corporation or otherwise, and to deliver the agreement evidencing such amendments and all such documents and instruments, as may be considered necessary or desirable to give effect to the foregoing.

Directors Recommendation

The Board of Directors has determined that it is in the best interests of the Corporation and its shareholders to have a Rights Plan and unanimously recommends that shareholders vote in favour of the amendments to the Amended and Restated Shareholder Rights Plan described above.

Executive Compensation*Summary Compensation Table*

The table below contains a summary of the compensation paid to, or earned by, the Corporation's Chief Executive Officer, and the Corporation's four most highly compensated executive officers (other than the Chief Executive Officer) who were serving as executive officers at the end of the Corporation's most recently completed financial year and during such year received, in their capacity as officers of the Corporation and any of its subsidiaries, in excess of \$100,000 (collectively, the **Named Executive Officers**), for each of the Corporation's three most recently completed financial years ended December 31, 2003, 2002 and 2001.

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation	All Other Compensation (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation ⁽¹⁾ (\$)	Number of Common Shares under Options/SARs Granted ⁽²⁾ (#) ⁽⁶⁾	
John Bennett ⁽³⁾ <i>Chairman and formerly, Chief Executive Officer</i> ⁽⁴⁾	2003	251,705	142,300	11,327	30,000	nil
	2002	241,328	258,250	11,983	95,000 ⁽⁶⁾	nil
	2001	235,463	nil	11,163	60,000	nil
Rick Stern ⁽⁵⁾ <i>Chief Financial Officer and Secretary</i>	2003	156,450	142,300	4,902	30,000	nil
	2002	150,000	258,250	7,648	70,000 ⁽⁶⁾	nil
	2001	125,000	nil	5,461	85,000	nil
Danny Ponn <i>Chief Operating Officer</i>	2003	153,321	142,300	11,847	30,000	nil
	2002	147,000	258,250	10,251	70,000 ⁽⁶⁾	nil
	2001	138,000	nil	9,438	50,000	nil
Zul Tejpar <i>Vice President Marketing</i>	2003	146,020	142,300	12,659	30,000	nil
	2002	140,000	258,250	12,217	70,000 ⁽⁶⁾	nil
	2001	125,400	nil	10,269	50,000	nil

- (1) Perquisites and other personal benefits for the most recently completed financial year do not exceed the lesser of \$50,000 or 10% of the total annual salary and bonus for any of the Named Executive Officers unless otherwise noted.
- (2) All securities under option and subject to stock appreciation rights are for Common Shares of the Corporation.
- (3) Mr. Bennett was the Chairman and Chief Executive Officer of the Corporation until February 18, 2004, at which time he ceased to act as Chief Executive Officer but continued as the Chairman of the Corporation. Mr. Bennett's compensation is paid to him both directly and through a company, all the shares of which are owned by Mr. Bennett and his wife, Anne Bennett.
- (4) Mr. Allan Bulckaert was appointed Chief Executive Officer effective February 18, 2004.
- (5) Mr. Stern was appointed as the Chief Financial Officer and Secretary of the Corporation effective April 1, 2001.

- (6) On July 16, 2002 John Bennett was granted 95,000 stock options and each of Rick Stern, Danny Ponn and Zul Tejpar were granted 70,000 options. The stock options granted to the Named Executive Officers on July 16, 2002 were cancelled by the Board of Directors on October 7, 2002.

Long-Term Incentive Plan

The Corporation does not presently have a long-term incentive plan for its Named Executive Officers.

Stock Options

The Corporation has established a Stock Option Plan for the granting of incentive stock options and stock appreciation rights (**SARs**) to directors, officers and employees of the Corporation or any of its subsidiaries, or to a consultant. The purpose of granting such options and SARs is to assist the Corporation in attracting, retaining and motivating directors, officers and employees of the Corporation or any of its subsidiaries, or a consultant, and to more closely align the personal interests of such directors, officers, employees and consultants to those of shareholders.

The Stock Option Plan permits the Board of Directors to grant options for the purchase of Common Shares of the Corporation for a term of up to 10 years. The number of Common Shares granted pursuant to each option is determined in the discretion of the Board of Directors, provided that (i) in the case of any one person, the aggregate number of Common Shares reserved for issuance may not exceed 5% of the Common Shares outstanding at the time of the grant less the aggregate number of Common Shares reserved for issuance to such person under any other option to purchase Common Shares from treasury granted as a compensation or incentive mechanism, and (ii) in the case of insiders, the aggregate number of Common Shares reserved for issuance may not exceed 10% of the Common Shares outstanding at the time of the issuance, less the aggregate number of Common Shares reserved for issuance to insiders under the Stock Option Plan or any other share compensation agreement.

In accordance with the provisions of the Stock Option Plan, the option price and the terms and conditions on which the options may be exercised are set out in written stock option agreements, in the form approved by the Board of Directors, entered into by the Corporation and each option holder. Under the Stock Option Plan, the option price is determined by the Board of Directors, provided that the price is not less than the closing price of the Common Shares on the stock exchanges where they are traded on the trading day immediately preceding the date of the grant, or in the event that there were no transactions during the 10 day trading period immediately preceding the date of the grant, such value as determined by resolution of the Board of Directors, subject to the necessary approvals of applicable regulatory authorities. The options are not transferable and terminate on the earlier of the expiry date and 30 days after the optionee ceases to be eligible for any reason whatsoever, other than death. In the event of death, the option is fully exercisable by the optionee's legal representative on the earlier of the expiry date and six months from the date of death. If within six months of a change in control of the Corporation an optionee ceases to be eligible to receive stock options for any reason other than death, the optionee will be permitted to exercise his or her options until the earlier of the expiry date for those options and the date that is 12 months from the date of such termination.

Stock Option and Stock Appreciation Right Grants

A summary of stock options and SARs granted to the Named Executive Officers under the Stock Option Plan during the financial year ended December 31, 2003 is set out in the table below. All stock options and SARs are for Common Shares of the Corporation.

**Option and Stock Appreciation Right Grants During the
Most Recently Completed Financial Year**

Name	Number of Securities Options/SARs Granted Under Option/SARs Granted (#)	% of Total Options/SARs Granted to Employees in Financial Year (%)	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options/SARs on the Date of Grant (\$/Security)⁽¹⁾	Expiry Date
John Bennett	30,000	11%	14.29	14.29	April 14, 2008
Rick Stern	30,000	11%	14.29	14.29	April 14, 2008
Danny Ponn	30,000	11%	14.29	14.29	April 14, 2008
Zul Tejpar	30,000	11%	14.29	14.29	April 14, 2008

⁽¹⁾ The market value of the Common Shares on the date of grant of the options or SARs is the closing price per share at which the Common Shares were traded on the Toronto Stock Exchange on the day preceding the date of grant. The reported high and low trading prices of the Corporation's Common Shares on the Toronto Stock Exchange for the 30 days prior to the date of the grants of the options referred to above are set out in the table below.

	Toronto Stock Exchange	
	High	Low
March 13, 2003 to April 13, 2003	\$14.47	\$10.49

Aggregated Stock Option and Stock Appreciation Right Exercises and Value of Unexercised Options

A summary of the exercise of options and SARs by the Named Executive Officers during the financial year ended December 31, 2003 and the value at December 31, 2003 of unexercised in-the-money options and SARs held by the Named Executive Officers is set out in the table below.

**Aggregated Option Exercises During the Most Recently Completed Financial Year
and Financial Year-End Option Values**

**Value of
Unexercised**

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options/SARs at Financial Year-End Exercisable/ Unexercisable (#)	in-the-Money Options/SARs at Financial Year-End Exercisable/ Unexercisable ⁽¹⁾ (\$)
John Bennett	Nil	Nil	240,000/0	1,080,112/0
Rick Stern	30,500	363,070	54,100/0	505,097/0

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options/SARs at Financial Year-End Exercisable/ Unexercisable	Value of Unexercised in-the-Money Options/SARs at Financial Year-End Exercisable/ Unexercisable ⁽¹⁾
			(#)	(\$)
Danny Ponn	145,000	3,207,888	80,000/0	686,600/0
Zul Tejpar	Nil	Nil	127,500/0	826,875/0

⁽¹⁾ Based on the closing trading price of the Common Shares on the Toronto Stock Exchange on the last trading day of the most recently completed financial year, being \$26.78.

Pension and Retirement Savings Plans

Except as described below, the Corporation and its subsidiaries do not have any pension arrangements.

Pursuant to a reward-for-tenure agreement between the Corporation and John Bennett, the Corporation is obligated, for a period of 10 years ending in 2003, to fund an insurance policy, the proceeds of which will be used as a pension for Mr. Bennett. If Mr. Bennett remains employed by the Corporation for the full 10-year term, the proceeds of this policy are expected to generate an annual pension of \$69,000.

Termination of Employment, Change in Responsibilities and Employment Contracts

During the financial year ended December 31, 2003, the Corporation had agreements with John Bennett, Rick Stern, Danny Ponn, Zul Tejpar whereby the Corporation agreed to pay these Named Executive Officers an annually adjusted salary and a bonus, other perquisites and personal benefits in consideration for services rendered to the Corporation. Under the terms of the agreements, if the employment of a Named Executive Officer is terminated for reasons including a change of control, the Corporation may be obligated to pay the Named Executive Officer for each full or partial year of service provided to the Corporation, an amount equal to 1/6th of the Named Executive Officer's current annual salary and the most recent bonus awarded to him (or the most recent bonus awarded prior to termination, whichever is higher), plus in the case of a change in control, 1/2 of the Named Executive Officer's annual salary.

In addition, the Corporation has entered into a consulting contract with Bennett Environmental Consultants Ltd., a company all of the shares of which are owned by John Bennett and his wife, Anne Bennett, for Mr. Bennett's services to the Corporation in consideration for annual compensation in the amount of \$201,888.68, plus consulting bonuses. Under the terms of this consulting contract, for reasons including a change of control, the Corporation will be obligated to pay Mr. Bennett the sum of \$201,888.68 to terminate the contract.

Compensation of Directors

In October, 2003, the Board of Directors approved an arrangement for the payment of directors fees. Each director that is not a member of management is to be paid an annual fee of \$20,000 plus a fee of \$1,000 for each meeting attended in person and \$500 for each meeting attended by conference call.

Any director who acts as chairman of any Board committee receives an additional annual fee of \$5,000. Directors are also reimbursed for reasonable expenses incurred in connection with their duties as directors, including travel expenses. In 2003, each member of the Board (other than John Bennett) received \$11,500 in directors' fees.

The Corporation has no formal arrangement for the payment of non-cash compensation to its directors in their capacity as directors. During the financial period ended December 31, 2003, the following directors of the Corporation were granted the stock options set out in the table below.

Name	Number of Securities Under Option granted (#)	Exercise or Base Price (\$/Security)	Market Value on Date of Grant (\$/Security)	Expiry Date
John Bennett	30,000	14.29	\$ 15.12	April 14, 2008
Adam LaPointe	Nil	N/A	N/A	N/A
Pierre Meunier	Nil	N/A	N/A	N/A
George Ploder	Nil	N/A	N/A	N/A
David Williams	Nil	N/A	N/A	N/A
James Blanchard	30,000	21.80	\$ 22.90	Nov 12, 2008

Director and Officer Liability Insurance

The Corporation has purchased and maintains insurance in the amount of US\$15 million for the benefit of the directors and officers of the Corporation against liabilities incurred by such persons as directors and officers of the Corporation and its subsidiaries, except where the liability relates to such persons failure to act honestly and in good faith with a view to the best interests of the Corporation. The annual premium paid by the Corporation for this insurance in respect of the directors and officers as a group is US\$291,303.07. No premium for this insurance is paid by the individual directors and officers. The insurance contract underlying this insurance does not expose the Corporation to any liability in addition to the payment of the required premiums.

Report on Executive Compensation

The Board of Directors formed a Human Resources and Compensation Committee on February 10, 2004. However, in 2003, it was the responsibility of the Board of Directors as a whole to review and recommend compensation policies and programs to the Corporation as well as salary and benefit levels for its executives. As this report on executive compensation relates to the fiscal year 2003, it has been prepared and approved by the entire Board of Directors of the Corporation. During the 2003 fiscal year, John Bennett was a member of the Board of Directors and an executive of the Corporation.

The Corporation's compensation policies and programs are designed to be competitive with the industry and to recognize and reward executive performance consistent with the success of the Corporation's business. These policies and programs are intended to attract and retain capable and experienced people.

In addition to industry comparables, the Board of Directors considers a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors

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include the long range interests of the Corporation and its shareholders, overall financial and operating performance of the Corporation and the Board of Directors' assessment of each executive's individual performance and contribution towards meeting goals and objectives. In 2003, the Board of Directors considered the same factors in its determination of Mr. Bennett's compensation as Chief Executive Officer during 2003.

Mr. Bennett's compensation was comprised of three components, salary, cash bonuses and stock options/SAR's. On average, compensation is generally comprised of 40% salary, 30% cash bonus and 30% stock options/SAR's. The salary component was considered to be comprised of direct salary from the Corporation and payment as part of a management consulting fee agreement Mr. Bennett has with the Corporation. Mr. Bennett's salary was last revised in 2001 and the salary was set by the Board at a level subjectively determined to be commensurate with the role, responsibilities and objectives for the position. Mr. Bennett's salary for 2003 was \$251,705.

Mr. Allan Bulckaert was appointed Chief Executive Officer of the Corporation effective February 18, 2004. Mr. Bulckaert's salary was set by the Board using the general compensation guidelines of 40% salary, 30% cash bonus and 30% stock options. Mr. Bulckaert's annual salary for fiscal 2004 of \$300,000 was subjectively determined to be commensurate with the role, responsibilities and objectives for the position.

The total compensation plan for executive officers is comprised of three components: base salary, cash bonuses and stock options/SAR's. The relative emphasis placed on each of the various components is dependent on the individual circumstances of the executive officer. However, on average, compensation is generally comprised of one-third salary, one-third cash bonus and one-third stock options/SAR's. In establishing base salaries, the Board of Directors reviews competitive market data, salary surveys and consults with recruitment specialists for each of the executive positions and determines a placement at an appropriate level in a range. Compensation is typically negotiated with the candidate for the position prior to his or her final selection as an executive officer.

Cash bonuses are used to reward officers for meeting specific performance targets as mutually agreed upon on an annual basis. All officers are eligible for the same cash bonus structure based on a sliding scale percentage of EBITDA (earnings before interest, taxes, depreciation and amortization) to a maximum payout per officer. Based upon the Corporation's performance for 2003, cash bonus payments of \$142,300 were made in 2004 to each officer.

The third component of the compensation plan is the Stock Option Plan. As stated above, the purpose of granting stock options and SAR's is to assist the Corporation in attracting, retaining and motivating directors, officers and employees of the Corporation or any of its subsidiaries, or a consultant and to closely align the personal interests of such directors, officers, employees and consultants with those of shareholders. The amount and terms of outstanding options and SAR's are taken into account when determining whether and how many new option and SAR grants be made.

Submitted By: John Bennett
Adam Lapointe
George Ploder
David Williams
James Blanchard

Performance Graph

The following graph compares the yearly percentage change in the Corporation's cumulative total sha