CONTRACT

BETWEEN: The MINISTER OF INTERNATIONAL AFFAIRS, IMMIGRATION AND CULTURAL COMMUNITIES for and on behalf of the Gouvernement du Québec, herein acting and represented by Mr. Robert Normand, Deputy Minister, duly authorized,

hereinafter called the "MINISTER"

AND: JEFFERSON WATERMAN INTERNATIONAL having a place of business at 1341 G Street N.W., suite 1100, Washington D.C. 20005, U.S.A., herein acting and represented by Mr. Charles E. Waterman, Chief Executive Officer, duly authorized for the purposes of this contract,

hereinafter called the "CONTRACTING PARTY".

THE PARTIES AGREE AS FOLLOWS:

1. PURPOSE OF THE CONTRACT

The purpose of this contract is to retain the professional services of the CONTRACTING PARTY and to set the terms and conditions under which the CONTRACTING PARTY is authorized to carry out activities as described more fully in the mandate attached to this contract in Schedule A and in Schedule B.

2. TERM OF THE CONTRACT

This contract takes effect on 15 February 1995 and ends when the obligations of the parties will have been discharged, no later than 15 August 1995 for the obligations as described in Schedule A and takes effect on 15 February 1995 and ends when the obligations of the parties will have been discharged, no later than 15 August 1995 for the obligations as described in Schedule B.

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3. OBLIGATIONS OF THE CONTRACTING PARTY

The CONTRACTING PARTY agrees to:

(a) specifically assign Mr. Charles Waterman as the person responsible for coordinating and carring out the activities and obligations in accordance with the stipulations of Schedule A;

(b) specifically assign Mr. Dennis M. Hertel as the person responsible for coordinating and carring out the activities and obligations in accordance with the stipulations of Schedule B;

(c) use the amount received under this contract for the sole purposes of the mandate as described in this contract;

(d) obtain a preliminary authorization by the COUNSELOR for National Affairs at the Quebec Government Delegation General in New York City, Ms. Anne Legaré (called hereinafter "the COUNSELOR") specifying the object and the maximum amount involved, before initiating operations;

(e) submit to the COUNSELOR a monthly report in accordance with the services provided at that time.

4. OBLIGATIONS OF THE MINISTER

The Minister agrees to:

(a) for the purposes of Schedule A:

- pay to the CONTRACTING PARTY a total amount of US $150 000 for the duration of the contract, including fees and all expenses that might be required for the purposes of this contract;

- pay the travel expenses required and authorized by the MINISTER to the CONTRACTING PARTY in accordance with Directive 7-74 of the Conseil du trésor, enclosed herewith in Schedule C to this contract provided that these expenses were approved in accordance with the financial

management plan of the Department of International Affairs, Immigration and Cultural Communities. Such expenses will be reimbursed upon presentation of original supporting documents;

(b) for the purposes of Schedule B:

- pay to the CONTRACTING PARTY a monthly amount of US $15 000 up to a maximum amount of US $90 000 for the duration of the contract, including fees and all expenses that might be required for the purposes of this contract;

- pay the travel expenses required and authorized by the MINISTER to the CONTRACTING PARTY in accordance with Directive 7-74 of the Conseil du trésor, enclosed herewith in Schedule C to this contract provided that these expenses were approved in accordance with the financial management plan of the Department of International Affairs, Immigration and Cultural Communities. Such expenses will be reimbursed upon presentation of original supporting documents;

(c) provide to the CONTRACTING PARTY any information he may have in his possession and that he deems necessary for the discharge of the CONTRACTING PARTY's obligations;

(d) the fees mentioned in this section of the contract will be paid by the MINISTER on presentation to the COUNSELOR of detailed monthly invoices, accompanied by supporting documents, indicating in particular the date the services were provided, the person who provided them, and the person who required them as well as their duration, in accordance with section 3(d).

5. MODIFICATIONS TO THE CONTRACT

The MINISTER reserves the right to modify this contract unilaterally by means of a notice in writing. Should a duty entrusted to the CONTRACTING PARTY be modified, the

latter must do the work in accordance with the modification thus made.

If the modification decreases or increases the cost of the contract for the CONTRACTING PARTY, his remuneration under this contract will be adjusted accordingly by the MINISTER, without penalty to the latter.

6. TRANSFER OF CONTRACT

The rights and obligations contained in this contract may not be assigned, sold or transferred, in whole or in part, without the prior and written consent of the MINISTER.

Any derogation from this article may result, at the MINISTER's discretion, in the termination of the contract. Such termination takes effect automatically from the date of the said transfer, unless the transfer was authorized by the MINISTER.

7. CONFIDENTIALITY

The CONTRACTING PARTY agrees that neither he nor any of his employees or agents will divulge, without having been duly authorized by the MINISTER, anything whatsoever of which they may have become knowledgeable in the performance of this contract.

8. CONFLICT OF INTEREST

The CONTRACTING PARTY agrees to avoid any situation that could put into conflict his personal interest and the interest of the MINISTER, excluding the obligations incumbent on the CONTRACTING PARTY under this contract. Should such a situation arise, the CONTRACTING PARTY must immediately inform the MINISTER who may, at his discretion, terminate the contract.

9. OWNERSHIP OF DOCUMENTS

At the expiry of this contract, the CONTRACTING PARTY shall remit to the MINISTER all the documents the latter will

have provided to the CONTRACTING PARTY in relation to the performance of this contract, such documents being and remaining the full and exclusive property of the MINISTER.

10. TERMINATION

The MINISTER reserves the right to terminate this contract at any time, without having to give reasons for his decision.

To do so, the MINISTER shall send the CONTRACTING PARTY a written notice of termination not less than five days before the specified date of termination and this termination takes effect automatically when five days have elapsed.

In this event, the CONTRACTING PARTY will be remunerated for services actually provided at the date of termination.

11. AUDITING

The requests for payment arising from the performance of this contract may be subject to an audit by the Comptroller of Finance who, to this end, has all of the powers provided in the Act respecting public inquiry commissions (R.S.Q., c. C-37), including that of taking cognizance of and examining all of the registers and documents he deems relevant to the audit.

12. CONTRACT DOCUMENTS

The CONTRACTING PARTY declares that he has taken cognizance of this contract and agrees to each and every clause thereof.

This contract is the sole agreement made by the parties and any verbal agreement not reproduced in this contract is deemed to be null and void.

13. CERTIFICATE OF EXEMPTION FROM THE GST AND THE QST

The MINISTER certifies that the services retained under this contract are required and paid for by the Department of International Affairs, Immigration and Cultural Communities with Government moneys and are therefore not subject to the federal goods and services tax (GST) or to the Québec sales tax (QST).

14. APPLICABLE LEGISLATION

The contract is governed by the applicable legislation of Québec and in the event of litigation, the courts of Québec will have sole jurisdiction.

IN WITNESS WHEREOF THE PARTIES HAVE SIGNED IN DUPLICATE

The MINISTER

By: _____ 3-8-95
Robert Normand — Date

The CONTRACTING PARTY

By: _____ 3-8-95
Charles E. Waterman — Date

MANDATE

Within the framework of the public affairs operation and the pre-referendum action program of the Gouvernement du Québec in the United States:

1. deliver the message of the Gouvernement du Québec and establish contacts with key representatives in the American Administration and Congress;

2. participate in developing a communications program and implementing this program with regard to the leading national and occasionally regional American print and electronic media;

3. establish any other contact or action that may be requested.

He shall act under the authority of Québec's Counselor for National Affairs, Ms. Anne Legaré, who is responsible for coordinating the operation for the Government.

SCHEDULE B

MANDATE

Within the framework of the public affairs operation and the pre-referendum action program of the Gouvernement du Québec in the United States:

1. establish contacts with certain members of Congress and of the American Administration.

He shall act under the authority of Québec's Counselor for National Affairs, Ms. Anne Legaré, who is responsible for coordinating the operation for the Governement.

Conseil du trésor

Directory of Administrative Policies

92-02-26

Directive 7-74
C.T. 170100 dated 14 March 1989
amended by
C.T. 170875 dated 23 May 1989
C.T. 171025 dated 6 June 1989
C.T. 177747 dated 3 July 1991
C.T. 178690 dated 12 November 1991
C.T. 182100 dated 13 January 1993

RULES RESPECTING THE TRAVEL EXPENSES OF PERSONS PAID PROFESSIONAL FEES

(R.S.Q., c. A-6, s. 22)

SECTION I - SCOPE AND DEFINITIONS

1. Unless otherwise provided, these rules apply to departments and agencies whose operating expenses are voted in whole or in part by the National Assembly.

   Accordingly, each department and agency is bound to specify in any contract providing for the reimbursement of travel expenses to a person paid professional fees that such reimbursement is made according to these rules.

2. In these rules:

   "person paid professional fees" means a person whose services are retained for performing a contract or a person who is not a member of the public service staff for whom a department or agency incurs travel expenses;

   "principal place of business" means, in the case of a person performing or participating in the performance of a contract, the

principal place of business from which his business is managed; in other cases, it means the residence of the person in question.

SECTION II - GENERAL PROVISIONS

3. Only travel expenses incurred in Québec are admissible for reimbursement. Notwithstanding the foregoing, travel expenses incurred outside Québec may be admissible for reimbursement where they are incurred:

(1) by a person paid professional fees for a Québec government office or delegation outside the province;

(2) by a person paid professional fees within the framework of a C.I.D.A. project;

(3) by a person paid professional fees for a mission undertaken within the framework of the cooperation programs of the Ministère des Affaires internationales or the Secrétariat aux Affaires intergouvernementales canadiennes, in which case the authorization of the department or agency is required;

(4) within the framework of a trip authorized by the deputy minister or the director of the agency or the person he designates.

SECTION III - APPLICABLE ALLOWANCES

Subsection I - Transportation costs

4. The most economical means of transportation must be used. The economic nature of one means of transport in relation to another is determined by taking into account the amount of the fees payable for the duration of the trip.

5. No transportation costs are payable where the person paid professional fees travels within 16 kilometres (10 miles) by road of his principal place of business, except in exceptional circumstances and with the authorization of the deputy minister or of the director of the agency or the person he designates.

6. Where a person paid professional fees is authorized to travel, within the framework of performing a contract, directly from his residence to a work location other than his principal place of business, or from a work location to his residence, transportation

costs are reimbursable. In this case, compensation for kilometres is paid for the shorter distance, either between the residence and the work location or between the principal place of business and the work location.

7. The applicable allowances for using a personal motor vehicle are as follows:

(1) $0.29 per kilometre for travel in Canada;

(2) the rate established in Directive 10-79 respecting travel expenses outside Québec and Canada.

8. Where public transportation or a taxi is used, allowances represent costs actually incurred. When a plane is used, only economy class fare is admissible.

Subsection II - Living expenses (accomodation and meals)

9. No living expenses are payable where the activities of a staff member paid professional fees take place within 16 kilometres (10 miles) by road of his principal place of business and this, using the most direct route. Notwithstanding the foregoing, reimbursement of meal expenses is possible where the staff member paid professional fees sits on a taskforce, committee, jury, board of directors, commission or similar body.

10. For travel within Québec, the Government allocates a daily allowance for travel expenses and this, without supporting documents, provided that proof of travel is submitted. The daily allowance is established as follows:

(1) for one full day of travel:

- $140.00 where there is an overnight stay in the territory of the Québec City Urban Community or on the Island of Montréal;

- $119.00 where there is an overnight stay elsewhere in Québec (93-01-13);

(2) for any trip of less than 24 hours or for any period of travel exceeding 24 hours or one of its multiples:

- the full amount of the allowance provided in paragraph (1), where the period in question is greater than 18 hours

and includes an overnight stay, or where it is at least 12 hours and includes the rental of a hotel room, with a supporting receipt;

- 50% of the amount of the allowance provided in paragraph (1), where the period in question is from 12 to 18 hours and does not include either an overnight stay or the rental of a hotel room;

(3) notwithstanding the foregoing, the daily allowance is not applicable to periods of travel of less than 12 hours; in these cases, only meal expenses are reimbursable according to the following admissible amounts, including taxes and gratuities:

- for breakfast: $9.00;
- for lunch: $12.35;
- for dinner: $18.60 (93-01-13).

If, because of exceptional circumstances, meal expenses greater than the prescribed maximums are incurred, they may be reimbursed for reasons deemed valid by the deputy minister or the director of the agency or the person he designates.

Where accommodation expenses are included in the cost of registering for a convention, only meal expenses are reimbursable and this, according to the amounts provided in the first paragraph.

11. Despite article 10, the Government reimburses, for travel in a municipality located north of the 49th parallel other than Baie-Comeau, Port-Cartier, Sept-Iles or a town or village in the Gaspé peninsula:

(1) accommodation expenses actually incurred;

(2) meal expenses in the prescribed admissible amounts increased by 30% if the meals are purchased in a commercial establishment in a municipality located between the 49th and the 50th parallels, and by 50% in a municipality located north of the 50th parallel.

Notwithstanding the foregoing, if, because of exceptional circumstances, meal expenses greater than the prescribed admissible amounts are incurred, they may be reimbursed for

reasons deemed valid by the deputy minister or the director of the agency or the person he designates.

12. For travel outside Québec, the Government allocates a daily allowance for travel expenses and this, without supporting documents, provided that proof of travel is submitted. The daily allowance is obtained by adding, for a given day and place, the maximum for hotel expenses and meal allowances, as provided in Appendix C to Directive 10-79 respecting travel expenses outside Québec.

Where a day of travel does not include an overnight stay, the allowance is reduced to the daily meal allowance, and where a day of travel includes an overnight stay but no meals, the allowance is reduced to the maximum for hotel expenses per day, as provided in Appendix C to this Directive.

13. A person assigned permanently to carrying out work in the field or at a construction site, including surveying, evaluation work and studies, receives a daily allowance of $54.00 in lieu of the maximum admissible for accomodation, meal and transportation expenses for going to and returning from the construction site (93-01-13).

In exceptional circumstances, the deputy minister or the director of the agency or the person he designates may grant an allowance greater than that provided in the preceding paragraph.

Subsection III - Other expenses

14. The Government reimburses costs incurred for tolls and parking a motor vehicle during authorized travel.

15. The costs of long distance telephone calls are reimbursable where they are incurred at the request of a department or agency representative. The claimant must be able to provide, on request, the name of any person called and the reason for the call.

16. No entertainment or reception expenses are admissible for reimbursement.

SECTION IV - SUPPORTING DOCUMENTS AND FILING A CLAIM

17. Proof of travel must be submitted for each trip and for each full day of the trip, except where it is round-trip travel of less than 240 kilometres (150 miles) and does not include meals or an overnight stay. Moreover, the claimant must indicate his times of departure and arrival.

18. For a trip including the rental of a hotel room, an official receipt must be supplied.

19. Where there is an overnight stay other than at a hotel or where there is no overnight stay but the duration of the trip makes it possible to claim the full or partial payment of the daily allowance or the reimbursement of meals, the claimant must indicate the address and the means of accommodation used, as the case may be, and attach to his claim one of the following documents:

- round trip public transportation ticket receipts;
- a meal receipt;
- a receipt for motor vehicle service;
- the registration receipt for a convention or conference;
- a program of activities in which the claimant is mentioned as a participant.

20. Where the cost of a meal purchased in Québec exceeds the maximum admissible, supporting documents are required.

21. Where public transportation is used, and official receipt attesting payment of the ticket must be provided if it is customary for the transporter to issue such receipts.

22. Where a taxi is used, a supporting document must be provided in each case.

23. Where other expenses admissible under these rules are incurred, supporting documents must be provided, if it is recognized practice to provide such documents.

24. Where there is residence at a construction site, an authorized department or agency representative must certify such residence for the applicable allowances to be paid.

25. The travel expense claim must be submitted on a formula approved by the department or agency.

SECTION V - REPORT

26. Each department and agency is reponsible for sending or making available all of the information requested by the secretary of the Conseil du trésor, according to the frequency and form the latter determines, in order to report on the application of this Directive, mainly with regard to travel outside Québec.

SECTION VI - FINAL PROVISIONS

27. This Directive replace the Rules respecting travel expenses of personnel paid professional fees (R.S.Q., c. A-6, r. 17), amended by C.T. 140900 dated 14 September 1982, 149045 dated 28 February 1984, 152000 dated 31 July 1984, 153400 dated 30 October 1984, 156311 dated 30 April 1985, 159277 dated 20 November 1985 and 159941 dated 18 February 1986.

28. This Directive comes into force on 14 March 1989.